

DEPARTMENT OF POLICE
VOTE 24
REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011

The Audit Committee reports in terms of section 38(1)(a) of the Public Finance Management Act, 1 of 1999, as amended and Treasury Regulations 3.1.13 and 27(1)(1 O)(b) and (c) that it has adopted appropriate formal terms of reference as its Audit Committee Charter, and has regulated its affairs in compliance with this charter, and has discharged its responsibilities contained therein.

The Audit Committee consist of the members listed hereunder and meets at least (3) three times per annum as per its approved terms of reference. During the current year, (4) four meetings were held.

1. Meeting attendance during 2010/2011

Name of Member		Number of Meetings attended
Mr B Coka (retired)	ex-Chairperson ¹	4
Ms B Ngunjiri	Chairperson	4
Lieutenant General MM Stander	Deputy National Commissioner ²	4
Lieutenant General B Mgwenya	Deputy National Commissioner	1
Ms M Roos (retired)*	External	3
Ms KT Rapoo (retired)*	External	3
Mr T. Boltman	External	1
Mr W. van Heerden	External	1
Mr J Mpai	External	1

¹ Mr B Coka retired as his term of office expired effective January 29, 2011 and in his place Ms B. Ngunjiri was appointed effective January 29, 2011. Ms B Ngunjiri was appointed to the Audit Committee in August 2008.

² Lieutenant General MM Stander membership was restructured at the appointment of Lieutenant General B Mgwenya as both the Chief Operating Officer for the SAPS as well as the new internal member of the audit committee. Her appointment therefore fills the same place previously held by Lieutenant General MM Stander effective January 29, 2011.

* Members retired as their term of office expired effective July 29, 2010.

2. Deputy National Commissioners

By delegation of the National Commissioner (Accounting Officer); the Deputy National Commissioner appears in the audit committee meeting as both an in internal member as well as a representative of the Accounting Officer. This process has been altered and in future audit committee meetings the Accounting Officer will represent himself.

3. Performance of the Audit Committee

In the conduct of its duties, the Audit Committee has, inter alia, reviewed the following:

- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the entity's operations covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of financial information provided by management and other

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users of such information;

- ▶ Accounting and auditing concerns identified as a result of internal and external audits;
- ▶ The entity's compliance with legal and regulatory provisions;
- ▶ The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and
- ▶ The independence and objectivity of the internal and external auditors.

The Audit Committee is of the opinion, based on the information and explanations given by management and the internal auditors and discussions with the independent external auditors on the result of their audits the status in addressing the matters raised by SCOPA, that the internal accounting controls are operating, though they need strengthening and improvement to ensure that the financial records may be relied upon for preparing the annual financial statements, and accountability for assets and liabilities is maintained.

Nothing significant has come to the attention of the Audit Committee other than the matters referred to in the National Commissioner's and Auditor-General's reports to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The Audit Committee has evaluated the annual financial statements of the South African Police Services for the year ended 31 March 2011 and, based on the information provided to the Audit Committee, considers that it complies, in all material respects, with the requirements of the South African Police Act (Act 68 of 1995) and the Public Finance Management Act, 1 of 1999, as amended and South African Statements of Generally Recognised Accounting Practice. The Audit Committee concurs that the adoption of the going concern premise in the preparation of the annual financial statements is appropriate. At their meeting held on 25 July 2011 the Audit Committee recommended the adoption of the Annual Financial Statements by the South African Police Service.

B NGUNJIRI
Chairperson

DATE: 25 July 2011

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for the year ended 31 March 2011

Report by the Accounting Officer to the Executive Authority and the Parliament of the Republic of South Africa.

1. General review of the state of financial affairs

The main appropriation for the Department included in the Estimates of National Expenditure 2010 amounted to R52 556 440 000. The Adjusted Estimates for 2010/11 included an additional amount of R973 300 000, which increased the Department's allocation to R53 529 740 000. This represents an increase of 12,4% over the previous financial year's adjusted allocation of R47 621 967 000.

The total expenditure for the 2010/11 financial year amounted to R53 529 700 188,87, which represents a spending rate of 100%. The expenditure was made up as follows:

Expenditure	2009/10 R'000	2010/11 R'000	Increase/(Decrease) (%)
* Compensation of employees	33 739 819	38 415 337	13,9%
* Departmental operational costs	13 882 148	15 114 363	8,9%
Total expenditure	47 621 967	53 529 700	12,4%

The surplus on the vote for the 2010/11 financial year amounts to R39 811,20. Spending on compensation of employees (70,8% in 2009/10 and 71,8% in 2010/11) remained the most significant expense in the Department's vote.

Programme spending, if compared to the adjusted allocation for the year, was as follows:

Programmes	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount spent R'000	Variance
1. Administration	18 167 072	18 066 960	17 871 936	195 024
2. Visible Policing	20 702 464	21 500 927	21 702 627	(201 700)
3. Detective Services	8 757 701	8 850 257	8 868 123	(17 866)
4. Crime Intelligence	1 886 902	1 947 635	1 947 626	9
5. Protection and Security Services	3 042 301	3 163 961	3 139 388	24 573
TOTAL	52 556 440	53 529 740	53 529 700	40

Although very marginal in nature, virements were applied and to the following extent:

Programme 1: Administration (Under spending)

Due to spending pressures experienced with the compensation of employees, in the entire vote, the amount due to Polmed (the State's contribution) payable in March 2011 had to compensate to allow for the payment of other compensation expenses in other programmes. However, the full State contribution payable to Polmed was still paid into their bank account on 1 April 2011, according to the agreement. This arrangement implied a partial charge against the allocations of both financial years, i.e. 2010/11 and 2011/12. As a result, Programme 1 realised a decreased level of spending. Due to technical contractual difficulties, monies allocated for the TETRA system in the Eastern Cape were redirected to

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other programmes as well.

Programme 2: Visible Policing (Overspending)

Due to spending pressures experienced with the budget for the compensation of employees in this programme (subprogramme Crime Prevention), a budget overrun realised as was anticipated. Apart from this, over-commitments on the Borderline Security subprogramme projects resulted in a budget shortfall. The source of funding for these overruns is Programme 1.

Programme 3: Detective Services (Overspending)

Due to spending pressures experienced with the budget for the compensation of employees in this programme (subprogramme Crime Investigations), a budget overrun realised as forecasted. Apart from this, capital spending also overspent mainly as a result of capital purchases in respect of the CJS programmes in the FSL/CRC environments. The initial budgetary provision was made under goods and services in these subprogrammes.

Programme 5: Protection and Security Services (Under spending)

Although the compensation of employees realised an overspending for the reasons indicated above, goods and services and payments for capital assets realised budget surpluses as anticipated. The main reason for this spending trend is the organisational changes and redirection of functions that impacted on spending prioritisation and execution. These amounts supplemented the budget difficulties experienced in Programme 3.

The programme expenditure trend in the past two financial periods was as follows:

Programmes	2009/10 R'000	2010/11 R'000	Increase/ (Decrease)
1. Administration	16 009 520	17 871 935	11,6%
2. Visible Policing	19 769 866	21 702 627	9,8%
3. Detective Services	7 493 634	8 868 123	18,3%
4. Crime Intelligence	1 658 018	1 947 626	17,5%
5. Protection and Security Services	2 690 929	3 139 388	16,7%
Total expenditure	47 621 967	53 529 700	12,4%

The Department's estimates will increase to R66, 696 billion in 2013/14 over the medium term, at an average rate of 7, 6 % over the period.

2. Services rendered by the Department

2.1 Services rendered

Apart from the Department's core responsibilities, various other internal and extra- departmental services were rendered in terms of the Promotion of Access to Information Act, 2000 (Act No 2 of 2000) and the Firearms Control Act, 2000 (Act No 60 of 2000). As the purpose of the Promotion of Access to Information Act, 2000 is to give full effect to the constitutional right of the public to access any

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information held by the State, it is the Department's objective to foster a culture of transparency and accountability towards the public and to actively promote a society in which the people of the Republic of South Africa have effective access to information, thereby enabling them to exercise and protect all of their rights.

The aim of the Firearms Control Act, 2000 is to address firearm-related crime by removing illegally-possessed firearms from society and to ensure effective control over firearms owned legally by individuals and Government.

A list of services rendered is included under the heading Programme performance in the Annual Report.

2.2 Tariff policy

All fees, charges and tariffs that is not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund are managed by the Department's Tariff Committee.

2.3 Auxiliary Services

The Department caters for those services that have been classified as functional responsibilities of the Department and not for so-called free services.

The functional responsibilities of the Department include the provision of -

- ▶ nutrition to detainees
- ▶ nutrition to resident members in some official quarters
- ▶ nutrition to members at SAPS training facilities
- ▶ services to members who participate in certain official activities such as sport, recreational and cultural activities

3. Capacity constraints and improvements

As reported in the previous Annual Report, the Department gradually improved its organizational structure over the past nine years by increasing the number of personnel on the fixed establishment in order to meet the capacity needs.

Since 1 April 2002 the Department embarked upon a strategy to increase its capacity, both human and physical. This process will continue for the next three financial years. Similarly, spending on capital immovable assets will also remain a prominent feature of the SAPS vote. The Department's staff establishment as on 31 March 2011 was 193 129.

4. Use of donor funds

France

The Minister of Police signed an agreement with the Government of France on 9 March 2009. The

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overall objective of this new project is to contribute to the creation of a safe and secure environment by reinforcing the capacity of the South African Police Service (SAPS) to fight against Transnational Organised Crime and Terrorism.

The Project consists of the following components:

Component 1

To strengthen the capacity of the South African Police Service in dealing with the threat of criminal networks and terrorism including but not limited to -

- ▶ developing more efficient border control
- ▶ strengthening the capacity of specialist investigative units
- ▶ developing the capacities of technical and scientific police units
- ▶ developing the crime intelligence information-gathering capacity on terrorism and organised crime; and
- ▶ developing a capacity to carry out anti-terrorist operations.

Component 2

To strengthen the interaction of the South African Police Service with neighbouring countries, by, among other things, -

- ▶ developing a Detective course for countries of the Southern African Regional Police Chiefs Cooperation Organization (SARPCCO)
- ▶ arranging international conferences and workshops
- ▶ providing French language courses.

The value of the project is 1.2 million Euros, which will be supplied over a period of three years.

Sudan

In November 2009 a project agreement was signed between the SAPS and Norway on Sustainable Policing in Sudan. This is a regional partnership between the SAPS and the Sudanese Police Force, supported by funding from the Royal Norwegian Government.

Belgium

The Nelson Mandela Metropolitan University's Business School has been involved in the development and presentation of a *Programme to Support the Planning and Management for Improved Organizational Performance* within the Strategic Management Unit of the South African Police Service (SAPS) nationally.

The programme, which is funded by the Belgian Government as part of a bilateral support programme for South Africa, is aimed at equipping the members with the necessary knowledge and skills to become

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more self-directed and accountable for the nature and quality of their own output.

The aim of this project is to have skilled and competent members within a Strategic Management environment who assist the SAPS with the provision of strategic direction and facilitate organisational developmental initiatives. The success of this training in terms of changed attitudes and behaviour and improved service delivery, has resulted in three (3) groups of thirty (30) learners each, funded by the Belgian Technical Cooperation over a three-year period. In February 2011 a group of 15 members started with another cycle of training for 2010/2011.

5. Trading entities and public entities

The Private Security Industry Regulatory Authority was established in terms of the Private Security Industry Regulation Act, 2001 (Act No 56 of 2001) with a primary objective of the regulation of the private security industry, exercising effective control over the practice of the occupation of security service provider in the public and national interest, and the interest of the private security industry itself.

No transfer of funds takes place between the authority and the SAPS budget allocation and the SAPS is not a designated department for the authority as contemplated in section 53(2) of the Public Finance Management Act.

6. Organisations that transfer payments have been made to

In terms of the Skills Development Act, 1998 (Act No 97 of 1998), and the Skills Development Levies Act, 1999 (Act No 9 of 1999), an amount of R23, 861 million was paid to the Safety and Security Sector Education and Training Authority in 2010/11.

7. Corporate governance arrangements

7.1 Fraud prevention policies

The SAPS has revised its Anti-corruption Strategy to ensure compliance in terms of the Minimum Anti-corruption Capacity requirements (MACC) as approved by Cabinet. This revision of the Anti-corruption Strategy was conducted in response to an audit of the extent of compliance with the MACC as conducted by the Department of Public Service and Administration in 2009/10. The revision of the Strategy has focused specifically on ensuring the effective implementation of the four pillars of the Strategy, namely prevention, detection, investigation and restorative actions by all divisions, provinces and stations. In order to ensure effective implementation of the Strategy, specific Anti-corruption Action Plans have been developed for implementation at divisional, provincial and station levels, ensuring that all corruption combating initiatives contained in the Strategy are reflected in the Anti-corruption Action Plans.

These Anti-corruption Action Plans contain specific priorities and actions in each of the four pillars, with measureable performance indicators, baselines and targets. The divisions, provinces and stations focus on implementing the Anti-corruption Action Plan during each of the four quarters of the financial year, and provide quarterly reports on the progress made with achieving targets to the office of the National Commissioner. The provinces and divisions initiated the implementation of their Anti-corruption Action Plans during the last quarter of 2010/11 and revised Anti-corruption Action Plans for

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all levels have been developed for implementation during 2011/12.

The SAPS developed an Anti-corruption Sensitization Programme. This Programme focuses on sensitizing and educating SAPS members and the public on the nature, causes and consequences of corruption. The divisions and provinces initiated the roll-out of the Sensitization Programme during 2010/11, with personnel at stations being the focus of the Programme.

The SAPS has developed an Integrity Management Framework for the SAPS that will function as a key element of the Prevention Pillar within the Anti-corruption Strategy. The Integrity Management Framework focuses on improving levels of professionalism and integrity in the SAPS, increasing levels of direct managerial support to members, ensuring the necessary corruption-reporting policies are in place, e.g. the Whistle-blowing Policy and establishing an anti-corruption training programme within the SAPS to augment the Sensitization Programme.

7.2 Management processes aimed at managing conflict of interest

The SAPS has issued an instruction regarding the declaration of interests in support of the implementation of National Treasury Practice Note 7 of 2009/10. This instruction does, however, only apply to members of the Supply Chain Management Division.

National Instruction 6 of 2005 indicates that members of selection panels must declare any interest that they may have that could influence the assessment of applicants.

7.3 Approach to risk management

The SAPS has revised its Risk Management Strategy for implementation during 2011/12 to ensure compliance with the Public Sector Risk Management Framework and the risk management recommendations made in the King III Report on Corporate Governance. As a result of revisions to the Risk Management Strategy, a draft, revised national instruction on risk management was developed in consultation with all provinces, divisions and national components. Changes to the existing national instruction were effected and are in the process of being completed by Legal Services for promulgation.

The annual Risk Management Implementation Plan was compiled and approved on 5 July 2010 for implementation. Quarterly reports regarding the implementation of the Implementation Plan were completed and submitted to the National Risk Committee and the SAPS Auditing Committee for consideration and approval. In its quarterly reports, the SAPS was able to demonstrate that the mitigation of certain risks had been achieved, resulting in the reprioritisation of risk.

Members of top management were sensitized about their roles and responsibilities towards the implementation of Risk Management, including the importance of establishing a risk management culture in the SAPS. This took place in the risk identification sessions for provinces and divisions and provincial consultation sessions in preparation of the strategic planning session for the National Commissioner.

A schedule was completed for the conducting of risk assessments in the provinces, divisions and national components, which resulted in eight provinces and ten divisions having approved risk registers.

A National Strategic Risk Register for the SAPS was completed and approved by the National

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Commissioner of the SAPS. Key Risk Indicators (KRI's), as well as an information process flow, were developed for all strategic risks. National Control Standards were developed for each of the Strategic Risks. The Strategic Risk Register for the SAPS, including KRI's and National Control Standards, were communicated to all provinces, divisions and stations.

The Risk Management manual was piloted in four comprehensive in-service skills development sessions. These sessions were attended by 84 members from the provinces, divisions, national components and stations. Skills development enhances the establishment and empowerment of a risk management capacity at the different levels within the SAPS. Risk management sensitization, an overview of the risk management process in the SAPS, and an explanation of the Risk Register and Quarterly Risk Report templates were provided.

Two National Risk Committee (NRC) meetings were conducted in the reporting period. The National Commissioner appointed the Chief Operations Officer of the SAPS, as the chairperson of the NRC. The NRC comprises two Provincial Commissioners, the majority of the operational divisional commissioners and the key support divisional commissioners, a member of the Auditing Committee, the Chief Risk Officer and the Police Secretariat. A Charter for the NRC, including charters for the Provincial and Station Risk Committees were completed. The Charter defined their roles, membership and functions.

7.4 Implementation and assessment of the Code of Conduct

The SAPS Code of Conduct was communicated to all members. It specifically focused on providing a policing service that is characterized by professionalism and integrity and has been included in the corporate documentation developed by the SAPS. The SAPS Code of Ethics was included specifically in the Strategic Plan 2010 to 2014 in order to provide a strategic platform for the continued internal and external communication of the ethical values that the SAPS subscribe to.

The Anti-corruption Sensitization Programme developed by the SAPS is being implemented on all levels, but particularly on station level and it emphasizes the role played by the Code of Conduct in structuring and setting standards for the conduct of all SAPS members. Specific elements of the Code of Conduct are included in the programme, and it focuses members on the need for the actual implementation of the Code of Conduct through the day-to-day behaviour and conduct of SAPS members.

The requirements of the King III Report

The King III report on Corporate Governance includes an extended set of recommendations regarding risk management and its implementation within organizations. The SAPS analysed these recommendations and ensured their integration into the revised Risk Management Strategy. The SAPS Risk Management Strategy for 2011/12 is therefore compliant with both the Public Sector Risk Management Framework and the recommendations regarding risk management made in the King II Report.

7.5 Effectiveness of Internal Audit and Auditing Committee

The Strategic Internal Audit Plan, which extends over three years and incorporates the Annual Plan for the 2010/2011 financial year, was approved by the Audit Committee. The approach was to formulate a risk-based plan that aligned the priorities of the Internal Auditing component with the objectives and goals of the Department and related strategic risk areas the Department faces over the next three years. The projects, among other things, include the following types of reviews:

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- Risk-based compliance
- Financial discipline
- Cyclical reviews

The scope of the Internal Auditing component is to ascertain whether the Department's network of risk management, control and governance processes, as designed and represented by management, are adequate and operative in a manner that will ensure the following:

- Risks are appropriately identified and managed.
- Appropriate interaction takes place with the various governance groups in the Department.
- Financial, managerial and functional information is accurate, reliable and timely.
- Employee's actions comply with policies, standards, procedures and the applicable laws and regulations.
- Resources are acquired economically, used efficiently and are adequately protected.
- Programmes, plans and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's control processes.
- Significant legislative or regulatory matters impacting on the organization are recognized and addressed appropriately.

The Internal Auditing component is independent and no limitation is put on access to information. The accountability and reporting structures of the component are properly established and regular feedback is provided to the Auditing Committee that acts as oversight committee in evaluating the following:

- Progress made with the execution of internal audit reviews in terms of the approved Internal Audit Plan
- Results of the internal audit reviews concluded
- The effectiveness of the component.

7.6 Safety, health and environment-related matters

The Department established a component attending to the working environment in terms of the Occupational Health and Safety Act, 1993 (Act No 85 of 1993).

Ongoing projects aimed at improving health and safety in 2010/2011

- Research into proper personal protective equipment/clothing

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- Communication Plan to promote awareness of health and safety
- Development of safe working procedures and standards for health and safety regarding specific duties
- Legal compliance audits (inspections) at the workplaces of the Department's members of personnel
- Medical Surveillance Programme
- Induction training on health and safety at training colleges.
- Investigation of all reported incidents in the SAPS and report to Department of Labour in terms of OHS Act 85 of 1993.

8. Discontinued activities

None.

9. New/proposed activities

Legislation was passed to ensure that from 1 July 2009, the duties that had been performed by the former Directorate for Special Operations (DSO) in the National Prosecuting Authority would be transferred to the SAPS. This resulted in the establishment of the Directorate for Priority Crime Investigation, which included the duties of the Commercial and Organised Crime Unit of the SAPS, and formed part of the broader Detective Services of the South African Police Service.

10. Asset management

The Department is continuously striving to improve asset management to comply with the requirements of the Annual Financial Statements (AFS). In this regard the Supply Chain Management Division made a policy decision that only the Provisioning Administration System will serve as the official system from which information will be provided. To support this decision, the Divisional Commissioner has also established a Management Information Centre where all information will be verified. It is acknowledged that data integrity on the systems poses a challenge and all efforts are made to keep the current information accurate and to implement business and counting rules in compliance with all regulatory frameworks.

In addition to the Asset Register, several functionalities and interfaces have been established and implemented to enhance an integrated asset management approach in the Department. This includes the following:

- The Workshop Accounting System
- The Loss Control System
- NATIS
- The Firearm Control System

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- The Vehicle Tracking System
- The Fuel Card System
- The POLFIN Telkom System
- The Action Response System (ARS) for computer equipment
- Reconciliation of asset additions with invoices paid.

11. Inventories

The total inventories on hand at the year-end are included in Annexure 6.

12. Events after the reporting date

Due to the fact that the Department of Public Works has taken a decision to apply for a declaratory order in the Sanlam Middestad lease agreement for the Court to make a ruling on the legality or otherwise of the lease agreement, it was decided to include it as a contingent liability.

13. Information on predetermined objectives

Quarterly reports are compiled in accordance with Treasury Regulation 5.3 in order to monitor progress regarding the implementation of the Annual Performance Plan, including the performance indicators and targets. Management uses the information in the quarterly reports to implement procedures to correct the Department's performance in achieving its targets as described in the Annual Performance Plan.

Internal controls and procedures have been developed for performance management and describe the Department's verification processes for performance monitoring, measurement, review and reporting.

Dedicated personnel who have been trained in strategic management principles are responsible for gathering, monitoring, evaluating and verifying performance indicators information per financial programme as described in the Annual Performance Plan.

Various electronic information systems, e.g. the Crime Administration System, the Operational Planning and Monitoring System, the Firearm Registration System that capture performance information, were implemented. In cases where there is no electronic systems to capture performance information, manual systems are used. However, the manual systems are gradually replaced by electronic systems in order to provide more accurate performance information. Control procedures are built into the various systems to assist with the verification and analysis of performance information.

14. SCOPA resolutions

The following progress has been made regarding various SCOPA resolutions:

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Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Audit Report on Performance Audit SCOPA Resolution 1/2009	Vehicle Management <ul style="list-style-type: none"> • Implementing AVL • Training employees without driver's licences • Monitoring the use of vehicles • Maintaining vehicles turn-around times 	Substantial progress
	Training <ul style="list-style-type: none"> • Exposing members to training • Training Database • Training budget 	Substantial progress
	Community Service centres <ul style="list-style-type: none"> • Access for people with disabilities • Infrastructure of police stations 	Substantial progress
	Domestic violence <ul style="list-style-type: none"> • Compliance with National Instruction and Domestic Violence Act 	Substantial progress
	Bulletproof vests <ul style="list-style-type: none"> • Issuing of bulletproof vests 	Substantial progress
	10111 Call centres <ul style="list-style-type: none"> • Compliance with norms and standards • Shortcomings in respect of equipment and people • Contingency plans • Training 	Substantial progress

15. Approved

The Annual Financial Statements set out from pages 137 to 192, as well as a set of Annual Financial Statements compiled for consolidation purposes, have been approved by the Accounting Officer.



National Commissioner
B H Cele

ORIGINALY SIGNED
NATIONAL COMMISSIONER: SOUTH AFRICAN POLICE SERVICE
(ACCOUNTING OFFICER)

B H CELE

Date: 2011-05-31

GENERAL

REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT ON VOTE 24
DEPARTMENT OF POLICE
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REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Police, which comprise the appropriation statement, and the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and the accounting officer's report as set out on pages 121 to 131.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with The Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and, section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Police as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with The Departmental Financial Reporting Framework

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prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Significant uncertainty

9. With reference to note 19 to the financial statements the department is disclosing a contingent liability for the lease contract of the Pretoria building. The Department of Public Works has taken a decision to apply for a declaratory order in the Sanlam Middestad lease agreement for the court to make a ruling on the legality or otherwise of the lease agreement.

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2) (a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

Unaudited supplementary schedules

12. The supplementary information set out in annexures 1 to 6 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 14 to 118 and material non-compliance with laws and regulations applicable to the Department of Police.

Reliability of information

14. The reported performance information was deficient in respect of the following criteria:
- Validity: Actual reported performance has occurred and pertains to the entity.
 - Accuracy: Amounts, numbers and other data relating to reported actual performance have been recorded and reported appropriately.

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- **Completeness:** All actual results and events that should have been recorded have been included in the annual performance report.

The following audit findings relate to the above criteria:

Reported performance against indicator is not complete when compared to source information (reliability)

15. Performance indicator of programme 2 - visible policing: number of crime prevention actions conducted by police stations focusing on legal and illegal firearms, illegal drugs and stolen/robbed vehicles. The crime prevention actions conducted by police stations could not be verified on the OPAM system, as some crime operational plans had not been registered on the system.

Reported performance against indicator is not accurate when compared to source information (reliability)

16. The performance indicator, 'Percentage of registered OCPI successfully terminated' under programme 3: detective services, was inaccurate as the status of some terminated projects was still reflected as active on the OCPI system used for reporting.

Reported performance against indicator is not valid, accurate and complete when compared to source information (reliability)

17. The validity, accuracy and completeness of the performance indicator, 'Specialised interventions – number of medium- to high-risk incidents stabilised' under programme 2: visible policing could not be established, as the information captured in the monthly success reports differed from the consolidated quarterly reports used for reporting on this indicator.

Compliance with laws and regulations

18. Included below are findings on material non-compliance with laws and regulations applicable to the department.

Annual financial statements, performance report and annual report

19. The financial statements submitted for auditing did not comply with section 40(1)(c)(i) of the PFMA. Material misstatements were identified during the audit, all of which were corrected by management.

Procurement and contract management

20. The accounting officer did not take effective and/or appropriate steps to prevent irregular as well as fruitless and wasteful expenditure, as per the requirements of section 38(1)(c)(ii) of the PFMA.
21. Contract performance was not managed effectively and economically as per requirements of section 38(1)(c)(iii) of the PFMA.
22. Some goods and services that were procured on quotations were not done on a rotation basis as

REPORT OF THE AUDITOR-GENERAL
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for the year ended 31 March 2011

per practice note 8 of 2009/10 paragraph 15.3.

Strategic planning and performance management

23. The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system and internal controls in certain instances regarding performance management, which described and represented how the institution's processes of performance planning, monitoring, measurement, review and reporting would be conducted, organised and managed, as required in terms of section 38(1)(a)(i) of the PFMA.

INTERNAL CONTROL

24. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

25. Commanders at station level responsible for visible policing, did not exercise oversight responsibility over reporting on predetermined objectives to ensure that entries occurred, were authorised and were captured (i.e. that reported information was complete).
26. Commanders at unit level responsible for investigating organised crime did not exercise oversight responsibility over reporting on predetermined objectives to ensure that entries occurred, were authorised and were captured.

Performance Management

27. Commanders at station level did not exercise oversight responsibility with regards to administration of the OPAM system by ensuring that all crime prevention plans are registered on the OPAM system.

OTHER REPORTS

Investigations

28. Investigations conducted within the department

Four hundred and seventy-six (476) members were charged for inter alia corruption, defeating ends of justice, fraud, aiding an escapee, bribery and extortion in terms of the department's disciplinary regulations, in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

Two hundred and sixty-three (263) members were suspended: 215 without salary and 48 with salary. Two hundred and thirteen (213) members were not suspended. Four hundred and seventy-nine (479) corruption charges were brought against members of which three members were

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charged with more than one crime.

29. External investigations conducted within the department

The Public Protector conducted two investigations regarding a building in Pretoria and a building in Durban. At the date of this report, the Department of Police included the building in Pretoria as a contingent liability (refer to note 19 of the financial statements) and the Department of Public Works confirmed that there was no lease contract for the Durban building.

Performance audit

30. A performance audit was conducted on the department's use of consultants. The audit is currently in the reporting phase. The findings will be reported in a separate report.

Auditor-General

31 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

DEPARTMENT OF POLICE
VOTE 24

APPROPRIATION STATEMENT
for the year ended 31 March 2011

Appropriation per Programme									
2010/11									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2009/10									
1. Administration									
Current payment	16 491 522	0	(752 841)	15 738 681	15 738 650	31	100%	14 455 238	14 455 238
Transfers and subsidies	217 981	0	77 144	295 125	295 125	0	100%	219 840	219 840
Payment for capital assets	1 357 457	0	477 828	1 835 285	1 835 285	0	100%	1 333 393	1 333 393
Payment for financial assets	0	0	2 876	2 876	2 876	0	100%	1 049	1 049
2. Visible Policing									
Current payment	20 337 247	0	329 364	20 666 611	20 666 611	0	100%	18 514 480	18 514 480
Transfers and subsidies	156 006	0	(12 796)	143 210	143 210	0	100%	153 080	153 080
Payment for capital assets	1 007 674	0	(114 868)	892 806	892 806	0	100%	1 102 306	1 102 306
3. Detective Services									
Current payment	8 516 707	0	(205 307)	8 311 400	8 311 400	0	100%	7 160 518	7 160 518
Transfers and subsidies	50 551	0	(6 847)	43 704	43 704	0	100%	49 877	49 877
Payment for capital assets	282 999	0	230 020	513 019	513 019	0	100%	283 239	283 239
4. Crime Intelligence									
Current payment	1 899 335	0	6 060	1 905 395	1 905 386	9	100%	1 610 463	1 610 435
Transfers and subsidies	7 724	0	4 880	12 604	12 604	0	100%	8 997	8 997
Payment for capital assets	40 576	0	(10 940)	29 636	29 636	0	100%	38 586	38 586
5. Protection and Security Services									
Current payment	3 084 756	0	26 789	3 111 545	3 111 545	0	100%	2 644 095	2 644 095
Transfers and subsidies	6 138	0	(485)	5 653	5 653	0	100%	5 613	5 613
Payment for capital assets	73 067	0	(50 877)	22 190	22 190	0	100%	41 221	41 221
Total	53 529 740	0	0	53 529 740	53 529 700	40	100%	47 621 995	47 621 967
Reconciliation with Statement of Financial Performance									
Add: Departmental revenue				287 737				347 572	
Aid assistance				7 516				5 127	
Actual amounts per Statement of Financial Performance (Total Revenue)				53 824 993				47 974 694	
Add: Aid assistance				4 550					14 711
Actual amounts per Statement of Financial Performance (Total Expenditure)				53 534 250					47 636 678

DEPARTMENT OF POLICE
VOTE 24

APPROPRIATION STATEMENT

for the year ended 31 March 2011

		Appropriation per Economic classification									
		2010/11					2009/10				
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure			
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Current payments											
Compensation of employees	38 416 114	0	(737)	38 415 377	38 415 337	40	100%	33 739 847	33 739 819		
Goods and services	11 913 453	0	(595 198)	11 318 255	11 318 255	0	100%	10 644 947	10 644 947		
Transfers and subsidies											
Provinces and municipalities	23 943	0	1 769	25 712	25 712	0	100%	25 195	25 195		
Departmental agencies and accounts	22 787	0	1 074	23 861	23 861	0	100%	20 818	20 818		
Households	391 670	0	59 053	450 723	450 723	0	100%	391 394	391 394		
Payment for capital assets											
Buildings and other fixed structures	1 118 201	0	63 940	1 182 141	1 182 141	0	100%	1 070 126	1 070 126		
Machinery and equipment	1 642 437	0	467 453	2 109 890	2 109 890	0	100%	1 726 766	1 726 766		
Biological assets	1 135	0	(230)	905	905	0	100%	1 853	1 853		
Payment for financial assets	0	0	2 876	2 876	2 876	0	100%	1 049	1 049		
Total	53 529 740	0	0	53 529 740	53 529 700	40	100%	47 621 995	47 621 967		

DEPARTMENT OF POLICE
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per programme 1 - Administration										
Detail per sub-programme		2010/11					2009/10			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1.1 Minister										
Current payment	1 816	0	(5)	1 811	1 811	0	100%	1 729	1 729	1 729
1.2 Deputy Minister										
Current payment	1 496	0	(3)	1 493	1 493	0	100%	1 432	1 432	1 432
1.3 Management										
Current payment	53 055	0	20 625	73 680	73 680	0	100%	50 377	50 377	50 377
Transfers and subsidies	13	0	480	493	493	0	100%	263	263	263
Payment for capital assets	1 246	0	(108)	1 138	1 138	0	100%	1 152	1 152	1 152
1.4 Corporate Services										
Current payment	14 355 221	0	(849 691)	13 505 530	13 505 499	31	100%	12 531 516	12 531 516	12 531 516
Transfers and subsidies	217 968	0	76 664	294 632	294 632	0	100%	219 577	219 577	219 577
Payment for capital assets	1 356 211	0	477 936	1 834 147	1 834 147	0	100%	1 332 241	1 332 241	1 332 241
Payment for financial assets	0	0	2 876	2 876	2 876	0	100%	1 049	1 049	1 049
1.5 Property Management										
Current payment	2 079 934	0	76 233	2 156 167	2 156 167	0	100%	1 870 184	1 870 184	1 870 184
Total	18 066 960	0	(194 993)	17 871 967	17 871 936	31	100%	16 009 520	16 009 520	16 009 520

DEPARTMENT OF POLICE
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification	Detail per programme 1 - Administration									
	2010/11					2009/10				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments										
Compensation of employees	9 981 903	0	(295 360)	9 686 543	9 686 512	31	100%	8 875 815	8 875 815	
Goods and services	6 509 619	0	(457 481)	6 052 138	6 052 138	0	100%	5 579 423	5 579 423	
Transfers and subsidies										
Provinces and municipalities	3 571	0	(144)	3 427	3 427	0	100%	3 484	3 484	
Departmental agencies and accounts	22 787	0	1 074	23 861	23 861	0	100%	20 818	20 818	
Households	191 623	0	76 214	267 837	267 837	0	100%	195 538	195 538	
Payment for capital assets										
Buildings and other fixed structures	1 118 201	0	56 459	1 174 660	1 174 660	0	100%	1 055 770	1 055 770	
Machinery and equipment	238 121	0	421 599	659 720	659 720	0	100%	275 850	275 850	
Biological assets	1 135	0	(230)	905	905	0	100%	1 773	1 773	
Payment for financial assets	0	0	2 876	2 876	2 876	0	100%	1 049	1 049	
Total	18 066 960	0	(194 993)	17 871 967	17 871 936	31	100%	16 009 520	16 009 520	

DEPARTMENT OF POLICE
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per programme 2 - Visible Policing										
Detail per sub-programme		2010/11					2009/10			
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
2.1 Crime Prevention										
	Current payment	18 743 049	0	261 190	19 004 239	19 004 239	0	100%	16 775 550	16 775 550
	Transfers and subsidies	145 515	0	(13 472)	132 043	132 043	0	100%	143 703	143 703
	Payment for capital assets	971 542	0	(163 839)	807 703	807 703	0	100%	1 001 573	1 001 573
2.2 Borderline Security										
	Current payment	151 933	0	(12 419)	139 514	139 514	0	100%	159 892	159 892
	Transfers and subsidies	190	0	40	230	230	0	100%	336	336
	Payment for capital assets	27 437	0	27 494	54 931	54 931	0	100%	57 551	57 551
2.3 Specialised Interventions										
	Current payment	1 442 265	0	80 593	1 522 858	1 522 858	0	100%	1 579 038	1 579 038
	Transfers and subsidies	10 301	0	636	10 937	10 937	0	100%	9 041	9 041
	Payment for capital assets	8 695	0	21 477	30 172	30 172	0	100%	43 182	43 182
	Total	21 500 927	0	201 700	21 702 627	21 702 627	0	100%	19 769 866	19 769 866

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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per programme 2 - Visible Policing										
Economic classification	2010/11					2009/10				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments										
Compensation of employees	17 025 736	0	215 627	17 241 363	17 241 363	0	100%	15 126 870	15 126 870	
Goods and services	3 311 511	0	113 737	3 425 248	3 425 248	0	100%	3 387 610	3 387 610	
Transfers and subsidies										
Provinces and municipalities	14 005	0	1 763	15 768	15 768	0	100%	15 031	15 031	
Households	142 001	0	(14 559)	127 442	127 442	0	100%	138 049	138 049	
Payment for capital assets										
Buildings and other fixed structures	0	0	4 417	4 417	4 417	0	100%	9 280	9 280	
Machinery and equipment	1 007 674	0	(119 285)	888 389	888 389	0	100%	1 092 946	1 092 946	
Biological assets	0	0	0	0	0	0	100%	80	80	
Total	21 500 927	0	201 700	21 702 627	21 702 627	0	100%	19 769 866	19 769 866	

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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per programme 3 - Detective Services										
Detail per sub-programme		2010/11					2009/10			
		Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 Crime Investigations										
	Current payment	6 039 569	0	54 066	6 093 635	6 093 635	0	100%	5 301 032	5 301 032
	Transfers and subsidies	44 347	0	(8 317)	36 030	36 030	0	100%	42 565	42 565
	Payment for capital assets	166 198	0	5 204	171 402	171 402	0	100%	172 701	172 701
3.2 Criminal Record Centre										
	Current payment	1 046 997	0	(164 799)	882 198	882 198	0	100%	727 214	727 214
	Transfers and subsidies	1 244	0	433	1 677	1 677	0	100%	1 290	1 290
	Payment for capital assets	65 554	0	133 592	199 146	199 146	0	100%	43 977	43 977
3.3 Forensic Science Laboratory										
	Current payment	539 963	0	(64 091)	475 872	475 872	0	100%	377 292	377 292
	Transfers and subsidies	344	0	227	571	571	0	100%	150	150
	Payment for capital assets	36 547	0	39 546	76 093	76 093	0	100%	20 318	20 318
3.4 Specialised Investigations										
	Current payment	890 178	0	(30 483)	859 695	859 695	0	100%	754 980	754 980
	Transfers and subsidies	4 616	0	810	5 426	5 426	0	100%	5 872	5 872
	Payment for capital assets	14 700	0	51 678	66 378	66 378	0	100%	46 243	46 243
	Total	8 850 257	0	17 866	8 868 123	8 868 123	0	100%	7 493 634	7 493 634

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for the year ended 31 March 2011

Detail per programme 3 - Detective Services									
Economic classification	2010/11					2009/10			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	6 914 991	0	26 692	6 941 683	6 941 683	0	100%	5 921 018	5 921 018
Goods and services	1 601 716	0	(231 999)	1 369 717	1 369 717	0	100%	1 239 500	1 239 500
Transfers and subsidies									
Provinces and municipalities	4 765	0	(53)	4 712	4 712	0	100%	4 873	4 873
Households	45 786	0	(6 794)	38 992	38 992	0	100%	45 004	45 004
Payment for capital assets									
Buildings and other fixed structures	0	0	2 929	2 929	2 929	0	100%	2 808	2 808
Machinery and equipment	282 999	0	227 091	510 090	510 090	0	100%	280 431	280 431
Total	8 850 257	0	17 866	8 868 123	8 868 123	0	100%	7 493 634	7 493 634

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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per programme 4 - Crime Intelligence										
Detail per sub-programme		2010/11					2009/10			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
4.1 Crime Intelligence Operations										
Current payment	746 196	0	(11 336)	734 860	734 851	9	100%	635 618	635 590	
Transfers and subsidies	3 817	0	1 167	4 984	4 984	0	100%	3 957	3 957	
Payment for capital assets	22 321	0	(11 820)	10 501	10 501	0	100%	2 468	2 468	
4.2 Intelligence and Information										
Management										
Current payment	1 153 139	0	17 396	1 170 535	1 170 535	0	100%	974 845	974 845	
Transfers and subsidies	3 907	0	3 713	7 620	7 620	0	100%	5 040	5 040	
Payment for capital assets	18 255	0	880	19 135	19 135	0	100%	36 118	36 118	
Total	1 947 635	0	(0)	1 947 635	1 947 626	9	100%	1 658 046	1 658 018	

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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification	Detail per programme 4 - Crime Intelligence									
	2010/11					2009/10				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments										
Compensation of employees	1 690 738	0	(10 565)	1 680 173	1 680 164	9	100%	1 412 623	1 412 595	
Goods and services	208 597	0	16 625	225 222	225 222	0	100%	197 840	197 840	
Transfers and subsidies										
Provinces and municipalities	651	0	42	693	693	0	100%	701	701	
Households	7 073	0	4 838	11 911	11 911	0	100%	8 296	8 296	
Payment for capital assets										
Machinery and equipment	40 576	0	(10 940)	29 636	29 636	0	100%	38 586	38 586	
Total	1 947 635	0	(0)	1 947 635	1 947 626	9	100%	1 658 046	1 658 018	

DEPARTMENT OF POLICE
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Detail per programme 5 - Protection and Security Services										
Detail per sub-programme	2010/11						2009/10			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
5.1 VIP Protection Services										
Current payment	473 449	0	10 302	483 751	483 751	0	100%	385 083	385 083	
Transfers and subsidies	1 248	0	(448)	800	800	0	100%	1 005	1 005	
Payment for capital assets	15 124	0	(8 099)	7 025	7 025	0	100%	20 300	20 300	
5.2 Static and Mobile Security										
Current payment	656 122	0	(13 711)	642 411	642 411	0	100%	558 358	558 358	
Transfers and subsidies	2 048	0	(899)	1 149	1 149	0	100%	1 639	1 639	
Payment for capital assets	12 796	0	(7 091)	5 705	5 705	0	100%	4 572	4 572	
5.3 Port of Entry Security										
Current payment	1 111 475	0	21 173	1 132 648	1 132 648	0	100%	959 486	959 486	
Transfers and subsidies	1 284	0	913	2 197	2 197	0	100%	1 561	1 561	
Payment for capital assets	31 008	0	(26 250)	4 758	4 758	0	100%	9 859	9 859	
5.4 Rail Police										
Current payment	573 364	0	10 838	584 202	584 202	0	100%	504 695	504 695	
Transfers and subsidies	1 114	0	99	1 213	1 213	0	100%	1 133	1 133	
Payment for capital assets	9 075	0	(7 281)	1 794	1 794	0	100%	605	605	
5.5 Government Security Regulator										
Current payment	54 444	0	2 999	57 443	57 443	0	100%	42 632	42 632	
Transfers and subsidies	8	0	24	32	32	0	100%	60	60	
Payment for capital assets	1 210	0	(994)	216	216	0	100%	3 388	3 388	
5.6 Operational Support										
Current payment	215 902	0	(4 812)	211 090	211 090	0	100%	193 841	193 841	
Transfers and subsidies	436	0	(174)	262	262	0	100%	215	215	
Payment for capital assets	3 854	0	(1 162)	2 692	2 692	0	100%	2 497	2 497	
Total	3 163 961	0	(24 573)	3 139 388	3 139 388	0	100%	2 690 929	2 690 929	

DEPARTMENT OF POLICE
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APPROPRIATION STATEMENT
for the year ended 31 March 2011

Economic classification	Detail per programme 5 - Protection and Security Services									
	2010/11					2009/10				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments										
Compensation of employees	2 802 746	0	62 869	2 865 615	2 865 615	0	100%	2 403 521	2 403 521	
Goods and services	282 010	0	(36 080)	245 930	245 930	0	100%	240 574	240 574	
Transfers and subsidies										
Provinces and municipalities	951	0	161	1 112	1 112	0	100%	1 106	1 106	
Households	5 187	0	(646)	4 541	4 541	0	100%	4 507	4 507	
Payment for capital assets										
Buildings and other fixed structures	0	0	135	135	135	0	100%	2 268	2 268	
Machinery and equipment	73 067	0	(51 012)	22 055	22 055	0	100%	38 953	38 953	
Total	3 163 961	0	(24 573)	3 139 388	3 139 388	0	100%	2 690 929	2 690 929	

DEPARTMENT OF POLICE
VOTE 24

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2011

1. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in **note 1** (Annual Appropriation) to the annual financial statements.
2. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in **note 7** to the annual financial statements.
3. **Detail of payments for financial assets**
Detail of these transactions can be viewed in **note 6** to the annual financial statements.

DEPARTMENT OF POLICE
VOTE 24
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	53 529 740	47 621 995
Departmental revenue	2	287 737	347 572
Aid assistance	3	7 516	5 127
TOTAL REVENUE		<u>53 824 993</u>	<u>47 974 694</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	4	38 415 337	33 739 819
Goods and services	5	11 318 255	10 644 947
Aid assistance	3	4 199	13 125
Total current expenditure		<u>49 737 791</u>	<u>44 397 891</u>
Transfers and subsidies			
Transfers and subsidies	7	500 296	437 407
Total Transfers and subsidies		<u>500 296</u>	<u>437 407</u>
Expenditure for capital assets			
Tangible capital assets	8	3 292 936	2 798 745
Aid assistance	3	351	1 586
Total expenditure for capital assets		<u>3 293 287</u>	<u>2 800 331</u>
Payments for financial assets	6	2 876	1 049
TOTAL EXPENDITURE		<u>53 534 250</u>	<u>47 636 678</u>
SURPLUS FOR THE YEAR		<u>290 743</u>	<u>338 016</u>
Reconciliation of Net Surplus for the year			
Voted Funds		40	28
Annual appropriation		40	28
Departmental revenue	14	287 737	347 572
Aid assistance	3	2 966	(9 584)
SURPLUS FOR THE YEAR		<u>290 743</u>	<u>338 016</u>

DEPARTMENT OF POLICE
VOTE 24
STATEMENT OF FINANCIAL POSITION
as at 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		266 934	201 744
Cash and cash equivalents	9	11 681	24 666
Prepayments and advances	10	37 417	51 113
Receivables	11	210 697	118 826
Aid assistance receivable	3	7 139	7 139
Non-current assets		99 048	91 708
Receivables	12	99 048	91 708
TOTAL ASSETS		<u>365 982</u>	<u>293 452</u>
LIABILITIES			
Current liabilities		230 891	164 723
Voted funds to be surrendered to the Revenue Fund	13	40	28
Departmental revenue to be surrendered to the Revenue Fund	14	6 094	3 660
Bank overdraft	15	200 832	142 883
Payables	16	13 896	10 093
Aid assistance repayable	3	3 319	1 038
Aid assistance unutilised	3	6 710	7 021
TOTAL LIABILITIES		<u>230 891</u>	<u>164 723</u>
NET ASSETS		<u>135 091</u>	<u>128 729</u>
Represented by:			
Recoverable revenue		135 091	128 729
TOTAL		<u>135 091</u>	<u>128 729</u>

DEPARTMENT OF POLICE
VOTE 24
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2011

	Note	2010/11	2009/10
		R'000	R'000
Recoverable revenue			
Opening balance		128 729	115 862
Transfers:		6 362	12 867
Irrecoverable amounts written off	6,5	(11 707)	4 750)
Debts revised	11,5	(19 878)	(18 963)
Debts recovered (included in departmental receipts)		(105 674)	(122 331)
Debts raised		143 621	158 911
Closing balance		135 091	128 729

DEPARTMENT OF POLICE
VOTE 24
CASH FLOW STATEMENT
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts:		53 823 852	47 969 815
Annual appropriated funds received	1,1	53 529 740	47 621 995
Departmental revenue received	2	286 596	342 693
Aid assistance received	3	7 516	5 127
Net increase/(decrease) in working capital		(81 712)	(24 558)
Surrendered to Revenue Fund	13 & 14	(285 331)	(354 165)
Surrendered to the RDP Fund		(996)	0
Current payments		(49 737 791)	(44 397 891)
Transfers and subsidies paid		(500 296)	(437 407)
Payments for financial assets		(2 876)	(1 049)
Net cash flow available from operating activities	17	3 214 850	2 754 745
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	3.2 & 8	(3 293 287)	(2 800 331)
Proceeds from sale of capital assets	2	1 141	4 879
Net cash flows from investing activities		(3 292 146)	(2 795 452)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in net assets		6 362	12 867
Net cash flows from financing activities		6 362	12 867
Net increase/(decrease) in cash and cash equivalents		(70 934)	(27 840)
Cash and cash equivalents at beginning of period		(118 217)	(90 377)
Cash and cash equivalents at end of period	18	(189 151)	(118 217)

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (e.i. statutory appropriation)

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

Total appropriated funds received during the year are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts / payments

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the National/Provincial Revenue Fund, unless otherwise stated.

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Aid assistance

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March each year)

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts must not be recognised in the statement of financial performance or position.

Employee cost are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time in the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Post retirement benefits

Employer contribution (i.e. social contributions) are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the statement of financial performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes the rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable in the Statement of Financial Performance.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.6 Capital assets

4.6.1 Movable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.

4.6.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

DEPARTMENT OF POLICE
VOTE 24
ACCOUNTING POLICIES
for the year ended 31 March 2011

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

DEPARTMENT OF POLICE
VOTE 24
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

1. Annual Appropriation

1.1 Annual Appropriation	2010/11			2009/10
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received
	R'000	R'000	R'000	R'000
Administration	17 871 967	17 871 967	0	16 009 520
Visible Policing	21 702 627	21 702 627	0	19 769 866
Detective Services	8 868 123	8 868 123	0	7 493 634
Crime Intelligence	1 947 635	1 947 635	0	1 658 046
Protection and Security Services	3 139 388	3 139 388	0	2 690 929
Total	53 529 740	53 529 740	0	47 621 995

2. Departmental revenue

	Note	2010/11	2009/10
		R'000	R'000
Tax revenue			
Sales of goods and services other than capital assets	2,1	133 630	168 869
Fines, penalties and forfeits	2,2	12 276	10 043
Interest, dividends and rent on land	2,3	1 116	1 365
Sales of capital assets	2,4	1 141	4 879
Financial transactions in assets and liabilities	2,5	139 574	162 416
Departmental revenue collected		287 737	347 572
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		123 816	147 654
Administrative fees		16 321	42 969
Other sales		107 495	104 685
Sales of scrap, waste and other used current goods		9 814	21 215
Total		133 630	168 869
2.2 Fines, penalties and forfeits	2		
Fines		873	817
Forfeits		11 403	9 226
Total		12 276	10 043
2.3 Interest, dividends and rent on land	2		
Interest		1 116	1 365
Total		1 116	1 365

DEPARTMENT OF POLICE
VOTE 24
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

Detail note 2 continued...

	Note	2010/11 R'000	2009/10 R'000
2.4 Sales of capital assets	2		
Tangible capital assets		1 141	4 879
Machinery and equipment	29,2	1 135	4 875
Biological assets	29,2	6	4
Total		<u>1 141</u>	<u>4 879</u>
2.5 Financial transactions in assets and liabilities	2		
Stale cheques written back		11 513	1 820
Other receipts including recoverable revenue		128 061	160 596
Total		<u>139 574</u>	<u>162 416</u>
3. Aid assistance			
3.1 Assistance received in cash from RDP			
Foreign			
Opening Balance		(6 101)	643
Revenue		7 516	1 427
Expenditure		4 239	8 171
Current		3 888	8 171
Capital		351	0
Surrender to the RDP		996	0
Closing Balance		<u>(3 820)</u>	<u>(6 101)</u>
3.2 Aid assistance received in cash from CARA Fund			
Opening Balance		7 021	9 861
Revenue		0	3 700
Expenditure		311	6 540
Current		311	4 954
Capital	30	0	1 586
Closing Balance		<u>6 710</u>	<u>7 021</u>
3.3 Total			
Opening Balance		920	10 504
Revenue		7 516	5 127
Expenditure		4 550	14 711
Current		4 199	13 125
Capital		351	1 586
Surrender to the RDP		996	0
Closing Balance	ANNEXURE 4	<u>2 890</u>	<u>920</u>

DEPARTMENT OF POLICE
VOTE 24
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

Detail note 3 continued...

	Note	2010/11 R'000	2009/10 R'000
Analysis of balance			
Aid assistance receivable		7 139	7 139
RDP		7 139	7 139
Aid assistance unutilised		6 710	7 021
CARA Fund		6 710	7 021
Aid assistance repayable		3 319	1 038
RDP		3 319	1 038
Closing balance		2 890	920

4. Compensation of employees

4.1 Salaries and wages

Basic salary		24 543 527	21 592 754
Performance award		9 823	191 210
Service Based		53 127	39 548
Compensative/circumstantial		989 601	664 523
Other non-pensionable allowances		4 628 812	3 826 877
Total		30 224 890	26 314 912

4.2 Social contributions

Employer contributions

Pension		3 958 319	3 533 455
Medical		4 225 762	3 886 104
UIF		1 044	249
Official unions and associations		5 322	5 099
Total		8 190 447	7 424 907

Total compensation of employees

		38 415 337	33 739 819
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Average number of employees		190 887	185 668
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5. Goods and services

Administrative fees		41 101	39 563
Advertising		24 145	21 417
Assets less than R5,000	5,1	388 234	375 501
Bursaries (employees)		3 103	2 739
Catering		22 811	23 622
Communication		702 589	686 323
Computer services	5,2	2 050 655	1 986 886
Consultants, contractors and agency/outsourced services	5,3	1 377 667	1 440 475
Entertainment		1 759	3 840
Audit cost - external	5,4	28 439	23 497

DEPARTMENT OF POLICE
VOTE 24
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

Detail note 5 continued...

	Note	2010/11 R'000	2009/10 R'000
Inventory	5,5	2 715 971	2 550 079
Operating leases		1 704 523	1 503 186
Owned and leasehold property expenditure	5,6	947 307	807 291
Transport provided as part of the departmental activities		1 856	863
Travel and subsistence	5,7	802 743	703 538
Venues and facilities		20 890	20 673
Training and staff development		41 011	37 914
Other operating expenditure	5,8	443 451	417 540
Total		11 318 255	10 644 947
5.1 Assets less than R5,000	5		
Tangible assets		308 229	283 528
Buildings and other fixed structures		40	105
Biological assets		3	53
Machinery and equipment		308 186	283 370
Intangible		80 005	91 973
Computer software		80 005	91 973
Total		388 234	375 501
5.2 Computer services	5		
SITA computer services		1 487 556	1 562 458
External computer service providers		563 099	424 428
Total		2 050 655	1 986 886
5.3 Consultants, contractors and agency/outsourced services	5		
Business and advisory services		16 848	12 433
Infrastructure and planning		883	5 342
Laboratory services		970	137
Legal costs		109 400	89 595
Contractors		819 466	816 569
Agency and support/outsourced services		430 100	516 399
Total		1 377 667	1 440 475
5.4 External audit fees	5		
Regularity audits		26 330	22 728
Performance audits		1 119	434
Other audits		990	335
Total		28 439	23 497

DEPARTMENT OF POLICE
VOTE 24
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

Detail note 5 continued...

	Note	2010/11 R'000	2009/10 R'000
5.5 Inventory			
Learning and teaching support material	5	940	1 811
Food and food supplies		2 093	1 568
Fuel, oil and gas		1 639 076	1 537 384
Other consumable materials		231 499	171 632
Maintenance material		477 280	465 795
Stationery and printing		279 819	293 877
Medical supplies		2 221	2 901
Medicine		2 838	9 305
Military stores		80 205	65 806
Total		2 715 971	2 550 079
5.6 Owned and leasehold property expenditure	5		
Municipal services		527 126	455 829
Property management fees		26 318	23 190
Cleaning services		182 753	157 053
Safeguarding and security		199 939	160 932
Other		11 171	10 287
Total		947 307	807 291
5.7 Travel and subsistence	5		
Local		731 806	636 322
Foreign		70 937	67 216
Total		802 743	703 538
5.8 Other operating expenditure	5		
Leaverships		132	0
Professional bodies, membership and subscription fees		3 248	1 814
Resettlement costs		49 481	58 890
Protective clothing and uniform		266 273	243 043
Towing cost		42 211	36 803
Informer fees		35 396	39 212
Printing and publications		12 500	8 070
Other		34 210	29 708
Total		443 451	417 540

DEPARTMENT OF POLICE
VOTE 24
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

6. Payments for financial assets		Note	2010/11	2009/10
			R'000	R'000
Material losses through criminal conduct			103	72
	Theft	6,4	8	3
	Other material losses	6,1	95	69
Other material losses written off		6,2	92	46
Debts written off		6,3	2 681	931
Total			<u>2 876</u>	<u>1 049</u>
6.1 Other material losses		6		
Nature of other material losses				
Incident	Disciplinary steps taken/criminal proceedings			
Lost cash: Advance			8	0
Lost cash: Police actions	None		87	57
Incorrect payments			0	12
Total			<u>95</u>	<u>69</u>
6.2 Other material losses written off		6		
Nature of losses				
Lost cash: Advance			2	0
Lost cash: Police actions			79	2
Incorrect payments			11	26
Dishonored cheques			0	18
Total			<u>92</u>	<u>46</u>
6.3 Debts written off				
Nature of debts written off				
Salaries		6	2 577	836
State guarantees			60	33
Tax debt			14	18
Other State Departments			2	0
Vehicle accidents			28	44
Total			<u>2 681</u>	<u>931</u>
6.4 Details of theft		6		
Lost cash			8	3
Total			<u>8</u>	<u>3</u>

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Detail note 6 continued...

	Note	2010/11 R'000	2009/10 R'000
6.5 Recoverable revenue written off			
Salary related debt		(9 036)	(2 447)
Property related debt		(2 624)	(2 209)
Admin related debt		(47)	(94)
Total		<u>(11 707)</u>	<u>(4 750)</u>
6.6 Assets written off			
Nature of write-off	29.2 & 30.2		
Transport assets		463 342	647 787
Computer equipment		24 520	27 974
Furniture and Office equipment		2 120	848
Other machinery and equipment		51 121	25 771
Biological assets		674	1 284
Immovable assets		773	1 025
Total		<u>542 550</u>	<u>704 689</u>
7. Transfers and subsidies			
Provinces and municipalities	7,1	25 712	25 195
Departmental agencies and accounts	7,2	23 861	20 818
Households	7,3	450 723	391 394
Total		<u>500 296</u>	<u>437 407</u>
7.1 Provinces and municipalities	7		
Fines and penalties		145	402
Vehicle licences		25 567	24 793
Total		<u>25 712</u>	<u>25 195</u>
7.2 Departmental agencies and accounts	7		
Safety and Security Sector Education & Training Authority		23 861	20 818
Total		<u>23 861</u>	<u>20 818</u>
7,3 Households	7		
Employer social benefit		292 355	266 158
Claims against the State (Households)		123 293	87 331
Payment as an act of grace		121	93
Medical expenses detainees		34 954	37 812
Total		<u>450 723</u>	<u>391 394</u>

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8. Expenditure for capital assets

	Note	2010/11	2009/10
		R'000	R'000
Tangible assets			
Buildings and other fixed structures	30	1 182 141	1 071 712
Machinery and equipment	29,1	2 110 241	1 726 766
Biological assets	29,1	905	1 853
Total		<u>3 293 287</u>	<u>2 800 331</u>

8.1 Analysis of funds utilised to acquire capital assets - 2010/11

	Voted Funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	3 292 936	351	3 293 287
Buildings and other fixed structures	1 182 141	0	1 182 141
Machinery and equipment	2 109 890	351	2 110 241
Biological assets	905	0	905
Total	<u>3 292 936</u>	<u>351</u>	<u>3 293 287</u>

8.2 Analysis of funds utilised to acquire capital assets - 2009/10

Tangible assets	2 798 745	1 586	2 800 331
Buildings and other fixed structures	1 070 126	1 586	1 071 712
Machinery and equipment	1 726 766	-	1 726 766
Biological assets	1 853	-	1 853
Total	<u>2 798 745</u>	<u>1 586</u>	<u>2 800 331</u>

9. Cash and cash equivalents

	Note	2010/11	2009/10
		R'000	R'000
Cash on hand		11 179	23 661
Cash with commercial banks (Local)		502	1 005
Total		<u>11 681</u>	<u>24 666</u>

10. Prepayments and advances

Description		
Staff advances	4 468	3 051
Travel and subsistence	31 534	46 996
Prepayments	1 405	1 056
Advances paid to other entities	10	10
Total	<u>37 417</u>	<u>51 113</u>

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11. Receivables - current

		2010/2011			2009/10	
		R'000	R'000	R'000	R'000	
		Less than one year	One to three years	Older than three years	Total	
Claims recoverable	11.1	91 562	10 315	16 037	117 914	31 922
	ANNEXURE 2					
Staff debtors	11,2	50 540	11 792	14 479	76 811	74 816
Private enterprises	11,3	1	0	0	1	17
Other debtors	11,4	10 974	638	4 359	15 971	12 071
Total		153 077	22 745	34 875	210 697	118 826

		Note	2010/11	2009/10
			R'000	R'000
11.1	Claims recoverable			
	National departments	11	103 989	19 791
	Provincial departments		12 630	11 801
	Private enterprises		1 295	330
	Total		117 914	31 922
11.2	Staff debtors			
	Salary related debt	11	62 570	61 465
	Administration related debt		6 390	6 698
	Inventory/property related debt		7 851	6 653
	Total		76 811	74 816
11.3	Private enterprises	11		
	Dishonoured cheques		1	17
	Total		1	17
11.4	Other debtors			
	Administration related debt	11	15 971	12 071
	Total		15 971	12 071
11.5	Debts revised			
	Capital increase		12 339	3 772
	Capital decrease		(32 119)	(22 660)
	Interest correction		(98)	(75)
	Total		(19 878)	(18 963)

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12. Receivables - non-current	Note	2010/11 R'000	2009/10 R'000
Staff debtors		99 048	91 708
Total		<u>99 048</u>	<u>91 708</u>
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		28	0
Transfer from Statement of Financial Performance		40	28
Paid during the year		(28)	0
Closing balance		<u>40</u>	<u>28</u>
14. Departmental revenue to be surrendered to the Revenue fund			
Opening balance		3 660	10 253
Transfer from Statement of Financial Performance		287 737	347 572
Paid during the year		(285 303)	(354 165)
Closing balance		<u>6 094</u>	<u>3 660</u>
15. Bank overdraft			
Paymaster General Account		200 832	142 883
Total		<u>200 832</u>	<u>142 883</u>
16. Payables – current			
Description			
Clearing accounts	16,1	8 681	9 717
Other payables	16,2	5 215	376
Total		<u>13 896</u>	<u>10 093</u>
16.1 Clearing accounts			
Description			
Amounts recovered to be cleared	16	8 681	9 717
Total		<u>8 681</u>	<u>9 717</u>
16.2 Other payables			
Description			
Salary deductions to be paid over to institutions	16	5 215	376
Total		<u>5 215</u>	<u>376</u>

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17. Net cash flow available from operating activities	Note	2010/11	2009/10
		R'000	R'000
Net surplus as per Statement of Financial Performance		290 743	338 016
Add back non cash/cash movements not deemed operating activities		2 924 107	2 416 729
(Increase) in receivables – current		(99 211)	(15 098)
Decrease in prepayments and advances		13 696	(6 625)
Decrease in payables – current		3 803	(2 835)
Proceeds from sale of capital assets		(1 141)	(4 879)
Surrenders to revenue fund		(285 331)	(354 165)
Surrenders to RDP Fund/Donor		(996)	(0)
Expenditure on capital assets		3 293 287	2 800 331
Net cash flow generated by operating activities		3 214 850	2 754 745
18. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		(200 832)	(142 883)
Cash on hand		11 179	23 661
Cash with commercial banks		502	1 005
Total		(189 151)	(118 217)

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These amounts are not recognised in the annual financial statements and are disclosed to enhance the usefulness of the financial statements.

19. Contingent liabilities

		Note	2010/11	2009/10
			R'000	R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	ANNEXURE 1	0	146
Housing loan guarantees	Employees	ANNEXURE 1	42 568	71 804
Claims	Private parties	ANNEXURE 5	11 044 698	7 486 819
Other departments (unconfirmed balances)		ANNEXURE 3	35 704	11 521
Capped leave commitments	Employees		4 881 526	4 713 642
Other: Sanlam Middestad	Lease		611 692	0
Total			16 616 188	12 283 932

Due to the fact that the Department of Public Works has taken a decision to apply for a declaratory order in the Sanlam Middestad Lease Agreement for the Court to make a ruling on the legality or otherwise of the lease agreement, it was decided to include it as a contingent liability.

20. Commitments

		Note	2010/11	2009/10
			R'000	R'000
Current expenditure				
Approved and contracted			723 589	604 061
			<u>723 589</u>	<u>604 061</u>
Capital expenditure (including transfers)				
Approved and contracted			473 614	174 449
			<u>473 614</u>	<u>174 449</u>
Total Commitments			1 197 203	778 510

21. Accruals

Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	651 256	175 419	826 675	714 160
Transfers and subsidies	21 900	7 795	29 695	36 370
Capital assets	156 997	19 734	176 731	336 364
Total	830 153	202 948	1 033 101	1 086 894

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Detail note 21 continued...

	Note	2010/11 R'000	2009/10 R'000
Listed by programme level			
Administration		428 901	614 424
Visible Policing		429 786	328 257
Detective Services		127 857	104 936
Crime Intelligence		28 290	25 127
Protection and Security Services		18 170	14 118
Donor funds		97	32
Total		1 033 101	1 086 894
Confirmed balances with other departments	ANNEXURE 3	7 170	0
Total		7 170	0

22. Employee benefits

Leave entitlement	1 572 624	1 356 817
Thirteenth cheque	2	11
Capped leave commitments	23 554	24 639
Other	200	1 040
Total	1 596 380	1 382 507

Although capped leave in its entirety, should be provided for under this note, the amount and circumstances under which payments were made historically, it was necessary to account for only a percentage of capped leave as employee benefits and the remainder as contingent liability.

23 Lease Commitments

23.1 Operating leases expenditure

	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
2010/2011				
Not later than 1 year	4 535	643 126	33 762	681 423
Later than 1 year and not later than 5 years	5 707	1 212 672	29 008	1 247 387
Later than five years	2 351	659 843	0	662 194
Total lease commitments	12 593	2 515 641	62 770	2 591 004
2009/2010				
Not later than 1 year	3 702	594 348	25 598	623 648
Later than 1 year and not later than 5 years	6 755	1 137 349	22 780	1 166 884
Later than five years	2 009	598 090	0	600 099
Total lease commitments	12 466	2 329 787	48 378	2 390 631

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Detail note 23 continued...

23.2 **Finance leases expenditure**

	Land	Buildings & other fixed structures	Machinery and equipment	Total
2010/2011	R'000	R'000	R'000	R'000
Not later than 1 year	0	0	40 753	40 753
Later than 1 year and not later than 5 years	0	0	13 556	13 556
Total lease commitments	0	0	54 309	54 309

24. **Receivables for departmental revenue**

	2010/11	2009/10
	R'000	R'000
Sales of goods and services other than capital assets	333	632
Fines, penalties and forfeits	68	8
Interest, dividends and rent on land	67	66
Financial transactions in assets and liabilities	1 379	2 116
Total	1 847	2 822

24.1 **Analysis of receivables for departmental revenue**

Opening balance	2 822	5 799
Less: Amounts received	2 822	5 799
Add: Amounts recognised	1 847	2 822
Closing balance	1 847	2 822

25. **Irregular expenditure**

25.1 **Reconciliation of irregular expenditure**

Opening Balance	1 258	994
Add: Irregular expenditure - relating to prior year	21 377	876
Add: Irregular expenditure - relating to current year	76 152	2 523
Less: Amounts condoned	(91 911)	(3 135)
Irregular expenditure awaiting condonation	6 876	1 258

Analysis of awaiting condonation per age classification

Current year	5 618	264
Prior years	1 258	994
Total	6 876	1 258

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Detail note 25 continued...

25.2 **Details of irregular expenditure - current year**

Incident	Disciplinary steps taken/ criminal proceedings		2010/11 R'000
	Cases	Amount R'000	
Advertising	2	3 461	3 461
Inventory	2	3 469	3 469
Transport	2	12 629	12 629
Contractors : Artists & Performers	6	11 950	11 950
Training	2	43	43
Security Services	0	0	90
Accommodation & Meals	11	45 209	45 209
Repairs	4	321	387
Catering	3	9 272	9 312
Day to Day Maintenance	2	58	63
Cleaning Services	1	157	195
Computer Software	1	11	11
Furniture	0	0	644
Towing Cost	0	0	1
Stationery	0	0	17
Communication	3	3 769	3 769
Renovation (Buildings)	4	554	6 270
Funeral Costs	0	0	5
Total	43	90 903	97 529

25.3 **Details of irregular expenditure condoned**

Incident	Condoned by (condoning authority)	2010/11 R'000
Advertising	Accounting Officer/BAC	3 461
Inventory	Accounting Officer/BAC	3 469
Transport	Accounting Officer/BAC	12 629
Contractors : Artists & Performers	Accounting Officer/BAC	11 950
Training	Accounting Officer/BAC	43
Security Services	Accounting Officer/BAC	90
Accommodation & Meals	Accounting Officer/BAC	45 213
Repairs	Accounting Officer/BAC	387
Catering	Accounting Officer/BAC	9 312
Day to Day Maintenance	Accounting Officer/BAC	63
Cleaning Services	Accounting Officer/BAC	195
Computer Software	Accounting Officer/BAC	11
Furniture	Accounting Officer/BAC	644
Towing Cost	Accounting Officer/BAC	1
Stationery	Accounting Officer/BAC	17

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Detail note 25.3 continued...

		2010/11
		R'000
Communication	Accounting Officer/BAC	3 769
Renovation (Buildings)	Accounting Officer/BAC	652
Funeral Costs	Accounting Officer/BAC	5
Total		<u>91 911</u>

25.4 **Details of irregular expenditure under investigation**

		2010/11
		R'000
Incident		
Contractors : Artists & Performers		17
Training		70
Security Services		369
Accommodation & Meals		15
Repairs		31
Catering		3
Interpreter		5
Day to Day Maintenance		176
Cleaning Services		103
Social Functions		157
Communication		312
Renovation (Buildings)		5 618
Total		<u>6 876</u>

26. **Fruitless and wasteful expenditure**

26.1 **Reconciliation of fruitless and wasteful expenditure**

	2010/11	2009/10
	R'000	R'000
Opening balance	2 387	2 721
Adjustment to opening balance	0	(686)
Fruitless and wasteful expenditure – relating to prior year	693	480
Fruitless and wasteful expenditure – relating to current year	771	647
Less: Amounts condoned	(1 026)	(715)
Less: Amounts transferred to receivables for recovery	(68)	(60)
Fruitless and wasteful expenditure awaiting condonation	<u>2 757</u>	<u>2 387</u>

Analysis of awaiting condonation per economic classification

Current	<u>2 757</u>	<u>2 387</u>
Total	<u>2 757</u>	<u>2 387</u>

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Detail note 26 continued...

26.2 Analysis of Current Year's Fruitless and wasteful expenditure		2010/11
Incident	Disciplinary steps taken	R'000
License fees	No	216
Accommodation	No	324
Air/bus tickets	No	206
Dormant fuel cards	No	177
Training	No	117
Interest	No	15
Incorrect payments	No	225
Other eg. Meals and cellphone accounts	No	184
Total		1 464

27. Key management personnel

The aggregate compensation of the senior management of the department is as follows:

Description	No of Individuals	2010/11	2009/10
		R'000	R'000
Political Office Bearers	3	3 397	3 161
Officials:			
Level 15 to 16 (including CFO)	46	52 628	33 832
Total		56 025	36 993

28. Impairment and other provisions

Impairment	2010/11	2009/10
Staff debtors	1 459	1 965
Other debtors	133	143
Total	1 592	2 108

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29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	10 951 841	2 178	1 774 754	541 186	12 187 587
Transport assets	7 662 581	318	1 432 097	463 308	8 631 688
Computer equipment	1 269 014	338	145 662	24 431	1 390 583
Furniture and Office equipment	101 105	18	22 473	2 136	121 460
Other machinery and equipment	1 919 141	1 504	174 522	51 311	2 043 856
BIOLOGICAL ASSETS	11 360	0	5 742	674	16 428
Biological assets	11 360	0	5 742	674	16 428
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	10 963 201	2 178	1 780 496	541 860	12 204 015

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Detail note 29 continued...

29.1 **ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSET PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Cash	Non-Cash	Received: Paid and not yet captured in asset register	(Capital work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2 110 241	101 417	(519 287)	0	82 383	1 774 754
Transport assets	1 256 488	36 035	51 003	0	88 571	1 432 097
Computer equipment	348 185	9 555	(198 473)	0	(13 605)	145 662
Furniture and Office equipment	26 736	388	(4 573)	0	(78)	22 473
Other machinery and equipment	478 832	55 439	(367 244)	0	7 495	174 522
BIOLOGICAL ASSETS	905	4 855	(18)	0	0	5 742
Biological assets	905	4 855	(18)	0	0	5 742
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2 111 146	106 272	(519 305)	0	82 383	1 780 496

29.2 **DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Sold (cash)	Transfer out or destroyed or scrapped	Total	Cash Received
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	0	541 186	541 186	1 135
Transport assets	0	463 308	463 308	1 135
Computer equipment	0	24 431	24 431	0
Furniture and Office equipment	0	2 136	2 136	0
Other machinery and equipment	0	51 311	51 311	
BIOLOGICAL ASSETS	6	668	674	6
Biological assets	6	668	674	6
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	6	541 854	541 860	1 141

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Detail note 29 continued...

29.3 **MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	10 092 757	140 536	1 420 928	702 380	10 951 841
Transport assets	7 217 994	56 679	1 035 695	647 787	7 662 581
Computer equipment	1 135 250	(1 919)	159 819	27 974	1 269 014
Furniture and Office equipment	68 957	2 502	30 494	848	101 105
Other machinery and equipment	1 670 556	79 436	194 920	25 771	1 919 141
BIOLOGICAL ASSETS	9 008	0	3 636	1 284	11 360
Biological assets	9 008	0	3 636	1 284	11 360
TOTAL MOVABLE CAPITAL TANGIBLE ASSETS	10 101 765	140 536	1 424 564	703 664	10 963 201

29.4 **Minor Assets**
MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2011

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	0	0	1 772 719	0	1 772 719
Adjustment to prior year balance	0	0	1 470	0	(1 470)
Additions	0	0	286 084	0	286 084
Disposals	0	0	(264 655)	0	(264 655)
TOTAL	0	0	1 795 618	0	1 795 618
Number of minor assets	0	0	757 205	0	757 205
TOTAL	0	0	757 205	0	757 205

Minor Assets
MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2010

Minor Assets	0	0	1 772 719	0	1 772 719
TOTAL	0	0	1 772 719	0	1 772 719

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Detail note 29 continued...

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	0	0	736 273	0	736 273
TOTAL	0	0	736 273	0	736 273

30 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	13 609	(222)	7 115	807	19 695
Dwellings	5 306	0	2 506	807	7 005
Non-residential buildings	8 303	(222)	4 609	0	12 690
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	13 609	(222)	7 115	807	19 695

30.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 182 141	1 166	(933 993)	(242 199)	7 115
Dwellings	11 984	90	(7 440)	(2 128)	2 506
Non-residential buildings	1 170 157	1 076	(926 553)	(240 071)	4 609
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1 182 141	1 166	(933 993)	(242 199)	7 115

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Detail note 30 continued...

30.2 **Disposals**

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	0	807	807	0
Dwellings	0	807	807	0
Non-residential buildings	0	0	0	0
TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS	0	807	807	0

30.3 **Movement for 2009/10**

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	11 787	2 847	1 025	13 609
Dwellings	5 923	107	724	5 306
Non-residential buildings	5 864	2 740	301	8 303
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	11 787	2 847	1 025	13 609

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ANNEXURE 1
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 - LOCAL

Guarantee in respect of and Guarantor institution	Original Guaranteed capital amount	Opening balance 1/4/2010	Current year adjustments to prior year closing balances	Guarantee drawdowns during the year	Guarantee Repayments/ Released/ Reduced during the year	Closing balance 31/03/2011	Realised losses not recoverable i.r.o. claims paid out
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Motor Vehicles							
STANNIC	637	146	0	0	146	0	0
Total	637	146	0	0	146	0	0
Housing							
STANDARD BANK		4 647	56	54	2 856	1 901	0
NEDBANK PTY LTD		10 627	297	0	5 086	5 838	0
FIRSTRAND BANK: FNB		32 416	67	0	3 548	28 935	0
ABSA		18 518	64	233	15 532	3 283	0
OLD MUTUAL FIN LT		243	0	0	224	19	0
HLANO FIN SERVICES		65	0	0	0	65	0
ITHALA LIMITED		2 296	0	0	1 334	962	0
FREESTATE DEVEL CORP		1 047	0	0	48	999	0
VBS MUTUAL BANK		199	0	0	0	199	0
MPUMALANGA		171	0	0	47	124	0
NP DEVELOP. CORP. LTD		468	0	0	330	138	0
GREEN START H/LOAN		257	(1)	0	167	89	0
SA HOMELOANS		141	0	0	141	0	0
INDLU FIN PTY LTD		16	0	0	0	16	0
NHFC (Masikheni)		693	0	0	693	0	0
Total		71 804	483	287	30 006	42 568	0
Grand Total		71 950	483	287	30 152	42 568	0

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ANNEXURE 2
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
THE PRESIDENCY	0	0	3	1	3	1
DEPARTMENT OF DEFENCE	0	0	104	95	104	95
DEPARTMENT OF AGRICULTURE	0	0	590	405	590	405
DEPARTMENT OF ARTS AND CULTURE	0	0	8	97	8	97
DEPARTMENT OF COMMUNICATIONS	0	0	9	3	9	3
DEPARTMENT OF CORRECTIONAL SERVICES	0	0	311	295	311	295
DEPARTMENT OF EDUCATION	0	0	923	866	923	866
DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM	0	0	461	186	461	186
DEPARTMENT OF FOREIGN AFFAIRS	0	0	9 670	9 028	9 670	9 028
DEPARTMENT OF HEALTH	0	0	4 411	4 010	4 411	4 010
DEPARTMENT OF HOME AFFAIRS	0	0	161	161	161	161
DEPARTMENT OF HOUSING	0	0	98	9	98	9
DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEV	0	0	406	399	406	399
DEPARTMENT OF LABOUR	0	0	218	251	218	251
DEPARTMENT OF LAND AFFAIRS	0	0	133	7	133	7
DEPARTMENT OF PUBLIC ENTERPRISES	0	0	5	2	5	2
DEPARTMENT OF PUBLIC WORKS	0	0	1 647	1 662	1 647	1 662
DEPARTMENT OF SOCIAL DEVELOPMENT	0	0	569	304	569	304
DEPARTMENT OF TRADE AND INDUSTRY	0	0	27	173	27	173
DEPARTMENT OF TRANSPORT	0	0	196	147	196	147
DEPARTMENT OF WATER AFFAIRS AND FORESTRY	0	0	165	533	165	533
DEPARTMENT OF MINERALS AND ENERGY	0	0	82 693	349	82 693	349
DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION	0	0	287	12	287	12
DEPARTMENT OF SCIENCE AND TECHNOLOGY	0	0	6	3	6	3

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ANNEXURE 2 Continues....

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENT OF SPORT AND RECREATION	0	0	71	5	71	5
DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT	0	0	14	8	14	8
DEPARTMENT OF STATE DEVELOPMENT	0	0	0	24	0	24
DEPARTMENT OF STATISTICS	0	0	13	0	13	0
INDEPENDENT COMPLAINTS DIRECTORATE	0	0	25	17	25	17
NATIONAL ASSEMBLY: PARLIAMENT	0	0	404	305	404	305
NATIONAL PROSECUTING AUTHORITY	0	0	182	138	182	138
NATIONAL TREASURY	0	0	49	65	49	65
NATIONAL COMMUNICATION CENTRE	0	0	130	43	130	43
SUB TOTAL	0	0	103 989	19 603	103 989	19 603
Provinces						
OFFICES OF THE PREMIERS	0	0	0	2	0	2
MEC SAFETY AND SECURITY	0	0	203	187	203	187
KWAZULU NATAL: PROVINCIAL GOVERNMENT	0	0	806	483	806	483
FREE STATE PROV: PROVINCIAL GOVERNMENT	0	0	26	17	26	17
WESTERN CAPE PROV: PROVINCIAL GOVERNMENT	0	0	2 233	2 025	2 233	2 025
LIMPOPO PROV: PROVINCIAL GOVERNMENT	0	0	1 653	238	1 653	238
EASTERN CAPE PROV: PROVINCIAL GOVERNMENT	0	0	6 830	8 586	6 830	8 586
GAUTENG PROV: PROVINCIAL GOVERNMENT	0	0	377	266	377	266
NORTH WEST PROV: PROVINCIAL GOVERNMENT	0	0	384	177	384	177
MPUMALANGA: PROVINCIAL GOVERNMENT	0	0	3	5	3	5
NORTHERN CAPE: PROVINCIAL GOVERNMENT	0	0	115	3	115	3
SUB TOTAL	0	0	12 630	11 989	12 630	11 989

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ANNEXURE 2 Continues....

Other Entities	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
ICF AFRICA	0	0	6	0	6	0
INSTITUTION FOR SECURITY STUDIES	0	0	12	12	12	12
NATIONAL INTELLIGENCE AGENCY	0	0	513	7	513	7
SA SOCIAL SECURITY AGENCY	0	0	179	113	179	113
SA RESERVE BANK	0	0	0	52	0	52
SCHINDLER LIFTS	0	0	7	7	7	7
AIRPORTS COMPANY SOUTH AFRICA	0	0	3	3	3	3
VENTURESCAPES	0	0	76	72	76	72
SA SECRET SERVICE	0	0	3	3	3	3
4D DÉCOR	0	0	5	5	5	5
RED HOT EVENTS	0	0	2	2	2	2
URBAN TONIC	0	0	4	0	4	0
EVENTS MANAGEMENT SOLUTIONS	0	0	3	0	3	0
LANGE STRATEGIC COMMUNICATIONS	0	0	8	0	8	0
TRAVEL MOTIVES	0	0	0	2	0	2
SOUTH AFRICAN COMMUNIST PARTY	0	0	22	22	22	22
GREEN DOLPINE RESTAURANT	0	0	12	12	12	12
GREEN ROUTE PTY LTD	0	0	21	0	21	0
SENSE OF TASTE	0	0	0	15	0	15
SIYA ZAMA GVK BUILDING RENOVATION	0	0	417	0	417	0
SALSA CATERING	0	0	2	3	2	3
SUB TOTAL	0	0	1 295	330	1 295	330
TOTAL	0	0	117 914	31 922	117 914	31 922

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ANNEXURE 3
INTER- GOVERNMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
Amounts not included in Statement of financial position						
Current						
DEPARTMENT OF INTERNATIONAL RELATIONS	207	0	3 109	1 538	3 316	1 538
DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEV	6 963	0	32 577	9 974	39 540	9 974
DEPARTMENT OF SOCIAL SERVICES	0	0	0	9	0	0
TOTAL	7 170	0	35 686	11 521	42 856	11 521
Other Government Entities						
Amounts not included in Statement of financial position						
Current						
PROVINCIAL ADMINISTRATION WESTERN CAPE	0	0	18	0	0	0
TOTAL	0	0	18	0	0	0
GRAND TOTAL	7 170	0	35 704	11 521	42 856	11 521

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**ANNEXURE 4
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2011**

Name Of Donor	Purpose	Opening Balance	Revenue	Revenue Surrendered	Expenditure	Closing Balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
Local						
CARA Funds		7 021	0	0	311	6 710
Subtotal		7 021	0	0	311	6 710
Foreign						
European Union	Capacity Building	(4 469)	0	0	0	(4 469)
Swiss	Operational training DRC	(124)	0	0	0	(124)
African Renaissance	DRC Projects	(2 546)	0	0	0	(2 546)
United Kingdom	DRC Projects	42	0	42	0	0
Norwegian	DRC Projects	251	251	251	0	251
Enhlangano Project France	Training support	745	745	745	351	394
Norway (Sudan)	Training support	0	6 520	0	3 846	2 674
Subtotal		(6 101)	7 516	1 038	4 197	(3 820)
Total		920	7 516	1 038	4 508	2 890

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**ANNEXURE 5
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of Liability	Opening Balance 01/04/2010 R'000	Current year adjustments to prior year balances R'000	Liabilities incurred during the year R'000	Claims settled during the year			Closing Balance 31/03/2011 R'000
				Original claim Amounts R'000	Amounts Paid R'000	Amounts Cancelled/ Reduced R'000	
Claims against the department							
Vehicle accidents	143 260	5 651	56 450	27 885	11 776	16 109	177 476
Legal expenses	161 402	6 754	223 166	10 542	2 064	8 478	380 780
Damage to property	6 647	(952)	1 365	2 396	548	1 848	4 664
Assault	506 141	21 560	203 012	33 866	6 065	27 801	696 847
Damage to State property	10 961	(125)	2 758	5 224	2 456	2 768	8 370
Police actions	5 655 552	841 705	2 666 245	600 265	52 740	547 525	8 563 237
Shooting incidents	526 511	35 564	438 965	57 141	9 956	47 185	943 899
Other (Not yet classified)	476 345	(298 307)	100 232	8 845	0	8 845	269 425
Total	7 486 819	611 850	3 692 193	746 164	85 605	660 559	11 044 698

Note: Amounts on this schedule reflects the actual amounts paid and actual amounts claimed (NOT ESTIMATED SETTLEMENT AMOUNTS) in respect of all pending civil claims against the state, which may or may not be settled in future.

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ANNEXURE 5 (Continued)

STATEMENT OF THE RECOVERABILITY OF ACCUMULATED PAYMENTS MADE AS AT 31 MARCH 2011

Nature of recoverability	Opening Balance 01/04/2010		Current year adjustments to prior year balances	Movement during the year			Closing Balance 31/03/2011
	R'000			Detail of finalized transactions	Amount finalized	New transactions Amount	
Vehicle accidents, Legal expenses,	113 140		4 900	Written off (TR 11.4 & 12)	206	122 526	110 123
Damage to property, Assault				State funds	6 936		
Damage to State property				Claim by the Department	69		
Police actions, Shooting incidents				Waiver of claims (TR 12.7.3)	123 191		
and Other (not yet allocated)]				Cash payment	41		
Total	113 140		4 900		130 443	122 526	110 123

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**ANNEXURE 6
INVENTORY**

	Note	Quantity	2010/11	Quantity	2009/10
			R'000		R'000
Inventory					
Opening balance		55 605 818	649 916	60 005 068	732 796
Add/(Less): Adjustments to prior year balances		1 074 166	(116 992)	(351 267)	(78 151)
Add: Additions/Purchases - Cash		22 060 206	412 302	27 929 813	399 103
Add: Additions - Non-cash		170 940	5 643	186 609	10 787
(Less): Disposals		(1 555 953)	(4 067)	(1 694 411)	(30 969)
(Less): Issues		(22 771 122)	(358 938)	(30 460 892)	(383 237)
Add/(Less): Adjustments		693 493	(1 139)	(9 102)	(411)
Closing balance		<u>55 277 548</u>	<u>586 725</u>	<u>55 605 818</u>	<u>649 916</u>