

PART C: GOVERNANCE

1. INTRODUCTION

Good governance reflects in the effective management and stewardship of public resources in an ever-changing public sector environment. There is a critical role that the SAPS's institutional mechanisms such as strategic and operational plans, budgeting, transversal systems and internal and external auditing in upholding good governance. The manner in which the SAPS's departmental activities are conducted is the critical link between inputs and outputs that is the effective and efficient utilisation of resources. The optimal increasing of organisational performance in relation to good governance in the SAPS focuses on improving institutional mechanisms such as leadership, the setting of clear operating principles, the quality of control systems and the accountability. The commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Some elements that are related to good governance with the aim to increase transparency and ensure compliance are listed below.

2. RISK MANAGEMENT

NATURE OF RISK MANAGEMENT

Risk management within the SAPS is applied within the context of section 38 a (i) of the PFMA, the Treasury Regulations of 2005, section 3.2, and the Public Sector Risk Management Framework. The revised SAPS's Strategic Plan 2010 - 2014 contains the strategic risks that the Department has identified for the focussed mitigation over the medium term. The application of risk management focuses mainly on the mitigation of these strategic risks through the Provincial Commissioners and the relevant Divisional Commissioners.

RISK MANAGEMENT STRATEGIES USED TO IDENTIFY RISKS AND MANAGE THE RISKS

The risks reflected in the revised Strategic Plan 2010 - 2014 are linked to the strategic objectives and priorities as significant barriers to improve of the performance of the organisation in the achieving of these strategic objectives and priorities.

The SAPS initiated a process to ensure the establishing of enterprise risk management during 2012/13, focusing on the development of an Enterprise Risk Management Strategy (ERMS) that is compliant with the risk management requirements that are reflected in the Department's Performance Monitoring and Evaluation's Management Performance Assessment Tool (MPAT) indicators for risk management and the Public Sector Risk Management Framework. A draft ERMS was compiled for further consultation, finalisation and implementation during 2013/14. The purpose of the ERMS is to facilitate the integration of risk management into the SAPS's business with a specific focus on the comprehensive identification of risks at all levels in support of improving the overall performance, the development and implementing of mitigation strategies by management and the monitoring of the effectiveness of the mitigation of risks, and the effectiveness of the entire risk management process.

The SAPS has achieved significant mitigation, of the majority of the strategic risks during the period under review. Input risks in respect of which mitigation has been progressed include murder of police officials, the loss and theft of the SAPS's firearms and collisions involving SAPS vehicles. The mitigation of these input risks increases the availability and condition of resources, thereby improving the input focus on the strategic objectives and priorities.

Output-focused risks that have been mitigated include inadequate police response at local level, focusing on reaction times to complaints and criminal conduct by SAPS members. The mitigation of output risks increases the effectiveness of the SAPS as operational activities towards the mitigation of these risks are reduced, allowing an improved focus on the operational strategic priorities.

3. FRAUD AND CORRUPTION

The SAPS has a multidisciplinary approach to the combating of fraud and corruption that integrates numerous functional areas within the anti-corruption framework provided by Government, that comprises prevention, detection, investigation and resolution.

Prevention activities have been prioritised and included the sensitising of all the SAPS members through focused internal and external communications to the public of South Africa on the zero-tolerance approach taken by the

Department to fraud and corruption perpetrated by its members. Pronouncements on anti-corruption are made using a variety of internal and external communication platforms, which include internal communication releases and media summaries via the e-mail network (an estimated 34 000 registered e-mail users); the SAPS Intranet webpage; salary advices to all members (199 345 as at 31 March 2012); communication campaigns, for example the “Look Out” about anti-corruption; and programmes on broadcast communications, for example: “When Duty Calls”, that are also watched by SAPS members; the SAPS Journal (an internal publication available both in hard and soft copy formats); the Police Television Network (POLTV); media releases; and the SAPS Internet webpage.

The managing of the Anti-corruption Strategy contributions from various functional areas within the SAPS, including:

- **Crime Intelligence and Protection Services (CIPS) Division** – the detection of SAPS members involved in fraud and corruption, the vetting of key personnel in the SAPS and facilitate the implementation of the National Personnel Security Vetting Policy Guidelines.
- **Detective Service** – the investigation of less serious cases of corruption involving SAPS members.
- **Human Resource Development** - the presentation of internal and external learning programmes addressing integrity and anti-corruption-specific content.
- **Personnel Management** – managing of departmental investigations against members; the presentation of anti-corruption related workshops; managing the recruitment and selection process applicable to new entrants and the promotion and appointment processes applicable to members and lateral entrants; managing remunerated work outside the SAPS and the disclosing of financial interests by all SMS members.
- **Internal Audit Component** – The detection of corruption as an element of the SAPS’s approach to combined risk assurance and the forensic investigation of specific cases of corruption involving SAPS members.
- **Inspectorate** - The detection of corruption as an element of the SAPS’s approach to combined risk assurance.
- **Financial and Administration Services** – The detection of fraud and corruption by SAPS members related to financial management as an element of the SAPS’s approach to combined risk assurance; and the managing of cases of financial misconduct.
- **Supply Chain Management** – The managing of conflict of interest related to the bid procurement process.

All these respective divisions and components’ structures and priorities, were aligned with their functions in their Operational Performance Plans, and were allocated an annual budget to realise their priorities in support of the Annual Performance Plan.

The Directorate for Priority Crime Investigation (DPCI) performs a specialised role in the investigation of corruption and the commercial crime-related investigation of cases where government officials are involved in procurement fraud and corruption.

The DPCI’s fraud and corruption plan is a part of the bigger plan of integrity management.

The DPCI’s Integrity Management Unit deals with all integrity-related issues including fraud and corruption. The Integrity Management Policy approach as applied within the DPCI covers the following:

- The disclosure of financial and other interests
- The performance of remunerative work outside the SAPS
- Continuous lifestyle audits where most likely fraud and corruption issues are identified
- Integrity Testing Programme (inclusive of Entrapment (section 252A operations), testing for alcohol and drug abuse, as well as polygraph or any other similar instrument)
- The reporting facility (a dedicated e-mail address where personnel can report any integrity-related issues was established and the personnel has been informed of this. We continue to do so through our Advocacy and Awareness campaigns)

- Soft controls (we continue to communicate the behaviour through our integrity pillars, the SAPS Code of Conduct, and the Code of Ethics) – hard controls (investigations conducted to reveal and deal with the culprits of fraud and corruption and we are also assisted by the personnel who report such issues)
- Compliance management (to identify maladministration, irregularities, misbehaviour and unwanted issues within the system).

MECHANISMS TO REPORT FRAUD AND CORRUPTION

The SAPS has actively promoted the Protected Disclosure Act 2000 (Act No 26 of 2000), and the National Anti-Corruption Hotline (NACH) as fraud and corruption reporting mechanisms. The NACH has received specific attention in internal e-mails and circulars as a safe and trustworthy fraud and corruption reporting mechanism for use by the SAPS members.

A dedicated e-mail facility has been set up to create a channel through which personnel can confidentially bring information to the attention of the National Head of the DPCI.

HOW ARE THE CASES REPORTED AND WHICH STEPS ARE TAKEN

SAPS members report fraud and corruption through the following channels: The SAPS Complaints Line; the Presidential Hotline (PHL); the NACH; and the Crime Stoppers number. Allegations of corruption are also reported to the Integrity Management Unit of the DPCI through the reporting facility, by word of mouth, telephonically, tip-offs and/or in writing. Reports are referred to the appropriate investigation capacity within the SAPS (the DPCI, the Crime Intelligence Division or the Detective Service Division) for investigation. The investigation of allegations of fraud and corruption involving SAPS members includes both a criminal and a departmental investigation. Criminal investigations are managed by the DPCI and the general detectives. Departmental charges of fraud and corruption against members are managed by dedicated Discipline Management structures at national and provincial levels in line with the guidelines provided by the SAPS Discipline Regulations Manual. The Integrity Management Unit under the DPCI prioritises cases through discreet investigations to determine the authenticity and if there are issues of concern, they are dealt with by either following the criminal or departmental process and/or both.

892 members were charged for fraud and corruption-related matters in terms of the SAPS Disciplinary Regulations. The breakdown of the categories is as follows:

Corruption	319
Fraud	153
Aiding an escapee	349
Defeating the ends of justice	149
Extortion	46
Bribery	10

22 members were suspended, eight with salary and 14 without salary at the end of the reporting period. 870 members were not suspended. 1 026 corruption charges were brought against members (97 members were charged with more than one crime).

4. MINIMISING CONFLICT OF INTEREST

- The SAPS's senior members are compelled to declare their financial interests annually.
- The Chairperson of both the Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC) request a declaration of interest before the meeting takes place.
- Applications for remunerative work are dealt with in terms of National Instruction 4/2012. These applications are approved at the relevant division/province and are valid for one financial year only after which another

application must be resubmitted.

- All approved applications are sent to the Division: Personnel Management and a copy placed at this office's file for auditing purposes

5. CODE OF CONDUCT

The code of conduct has been described as part of the Accounting Officer's Report. The reader is referred to **par** of the Accounting Officers report.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Safety, Health and Environmental (SHE) management of the SAPS aims to promote a safe and healthy environment by providing a framework that allows the updating of its health and safety risks, the reduction of potential accidents, aid legislative compliance and the improvement of overall performance. The SHE management is also responsible to ensure the health and safety of all personnel in the performance of their daily duties.

ONGOING PROJECTS TO IMPROVE HEALTH AND SAFETY

- Legal compliance audits (inspections) at SAPS's workplaces:
 - 75% of planned audits were conducted. (25% carried over to 2013/14).
- Medical surveillance:
 - 22 907 medically authorised (target depends on applications)
- Specifications for the following were compiled:
 - Personal protective equipment (coveralls, safety glasses (shooting range), face gas mask, arm-guard bite sleeve, respirators and bite suite)
 - Bomb-disposal vehicle
 - Road-block trailer
 - Crime-scene vehicle
 - Gas installation (LPG)
 - K9 box (dog cage)
 - Rifle safety.
- Communication plan to promote awareness on the health and safety for the SAPS's personnel.
 - Eight information sessions were conducted.
- Development of safe working procedures and standards for health and safety:
 - Disposal of hazardous waste
 - Food hygiene guideline
 - Signage
 - Induction in the workplace.
- Standard for first aid investigation of all reported incidents in the SAPS and report to the Department of Labour:

- 2 fatality cases investigated
- 2 fire cases were investigated
- 1 non-fatality case was investigated

The SAPS consults with its clients in order to meet the legal requirements of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and section 24 of the Constitution which proclaims that “Everyone has the right to an environment that is not harmful to their health and well-being”.

7. AUDIT COMMITTEE REPORT

The Audit Committee reports in terms of section 38 (1) (a) of the Public Finance Management Act, 1999 (Act No 1 of 1999) as amended and the Treasury Regulations 3.1.13 and 27(1) (10) (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 the responsibilities contained.

This report is solely for the SAPS, excluding the Division: Crime Intelligence and Protection Services (CIPS); as they have a separate reporting process, Audit Committee and Portfolio Committee.

The Audit Committee consists of the members listed below and meets at least three times per annum according to its approved terms of reference. During the current year, three meetings were held.

Name of member		Number of meetings attended
Ms B Ngunjiri	Chairperson	3
General MV Phiyega*	National Commissioner	2
Lieutenant General Schutte	Divisional Commissioner	3
Lieutenant General B Mgwenya**	Deputy National Commissioner	1
Mr T Boltman	External	3
Mr W van Heerden	External	3
Mr MW Mokwele	External	3

* *The National Commissioner/Accounting Officer who attended all the Audit Committee meetings since her appointment in June 2012.*

***The seat was relinquished to the present National Commissioner/Accounting Officer as the member who attended on behalf of the previous National Commissioner. The member was only present for the one Audit Committee meeting that was held in May 2012 before the appointment of General Phiyega.*

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 the management and other 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 the management to specific recommendations
- The independence and objectivity of the internal and external auditors.

The Audit Committee is of the opinion, that the internal accounting controls need continued 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, 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.

Nothing significant has come to the attention of the Audit Committee other than the matters referred to in the National Commissioner and Auditor-General 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 SAPS for the year ended 31 March 2013 and, based on the information provided to the Audit Committee, it complies, in all material respects, with the requirements of the Public Finance Management Act, 1999 (Act No 1 of 1999) as amended and the 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 27 May 2013 the Audit Committee recommended the adoption of the Annual Financial Statements.

The Audit Committee has met with the Auditor-General to discuss the audit report and the Audit Committee concurs with the report and the opinions issued by the Auditor-General on the financial statements of the SAPS. The Audit Committee has also reviewed the performance information as included in the Auditor-Generals report and the management letter, and the Audit Committee is of the opinion that the Accounting Officer should be afforded time to consider the content of this report.

B NGUNJIRI
Chairperson
DATE: 31 July 2013

