

PART E: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF INCOME

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF INCOME

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

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STATEMENT OF FINANCIAL POSITION

STATEMENT OF INCOME

STATEMENT OF CASH FLOWS

STATEMENT OF CHANGES IN EQUITY

NOTES TO FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF INCOME

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 2012 Estimates of National Expenditure, amounted to R62 485 359 000. The 2012 Adjustments Estimates of National Expenditure included an additional amount of R903 330 000, essentially to allow for the implementation of projects in the CJS Revamp Programme, security arrangements for the African Cup of Nations tournament and higher personnel remuneration increases than the main budget provided for. This amount increased the budget of the SAPS to R63 388 689 000. It represents an increase of 9,4% over the previous financial year's adjusted allocation of R57 933 121 000.

The total expenditure for the 2012/13 financial year amounted to R63 156 593 000, which represents a spending rate of 99,6%. The expenditure was made up as follows:

Expenditure	2011/12 R'000	2012/13 R'000	Increase/Decrease %
* Compensation of Employees	42 427 702	46 824 559	10.4%
* Operational costs	15 505 419	16 332 034	5.3%
Total expenditure	57 933 121	63 156 593	9.0%

The surplus on the vote for the 2012/13 financial year amounts to R232,096 million. This unspent amount comprises the following:

- An analysis of CJS expenditure in 2012/13 reflects that R1,910 billion was spent of an allocated R2,143 billion – i.e. 89.2%. (In other words R232 million or 10% of the allocated amount was not spent primarily within the technology and forensic environments).
- Unspent from normal operational budget R 0,014 million.
- Spending on compensation of employees 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	Adjusted Estimates R'000	Actual expenditure R'000	Virement R'000	Variance %	Remainder/ Unspent funds R'000
1. Administration	15 933 256	15 570 318	362 924	2.3%	14
2. Visible Policing	29 515 129	29 527 056	(11 927)	(0.0%)	-
3. Detective Service	13 542 924	13 693 650	(382 808)	(2.8%)	232 082
4. Crime Intelligence	2 590 600	2 570 087	20 513	0.8%	-
5. Protection and Security Services	1 806 780	1 795 482	11 298	0.6%	-
TOTAL	63 388 689	63 156 593	0	-	232 096

DEPARTMENT OF POLICE
VOTE 25
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013

The reasons for applying virement are the following:

PROGRAMME 1: ADMINISTRATION

A net underspending realised as a result of the full amount allocated for buildings and other infrastructure (capital works) not being used fully and goods and services emanating from a reduced spending level on network and hosting services, among other things.

PROGRAMME 2: VISIBLE POLICING

Due to the increase in fuel and oil, goods and services realised a net overspending on allocated funding.

PROGRAMME 3: DETECTIVE SERVICE

With a specific focus on enhancing the capacity of the Detective Service (general detectives), funding was required for this programme for compensation, goods and services and capital purchases (machinery and equipment, e.g. vehicles).

PROGRAMME 4: CRIME INTELLIGENCE

The net variance is mainly for less capital purchases than initially anticipated.

PROGRAMME 5: PROTECTION AND SECURITY SERVICES

The net variance is mainly for a lower spending level under compensation of employees.

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

Programme spending	2011/12 R'000	2012/13 R'000	Increase/ (Decrease) %
1. Administration	14 481 554	15 570 318	7,5%
2. Visible Policing	27 450 273	29 527 056	7,6%
3. Detective Service	11 917 057	13 693 650	14,9%
4. Crime Intelligence	2 395 591	2 570 087	7,3%
5. Protection and Security Services	1 688 646	1 795 482	6,3%
Total expenditure	57 933 121	63 156 593	9,0%

The Department's estimates will increase to R67,917 billion in 2013/14, R71,914 billion in 2014/15 and R75,853 billion in 2015/16. The budget over the medium term period will grow at an average annual rate of 6,2 %.

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 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 *Overall Performance* in the Annual Report.

2.2 TARIFF POLICY

Fees, charges and tariffs that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund are considered by a Tariff Committee.

2.3 AUXILIARY SERVICES

The Department caters for those services that have been classified as functional responsibilities of the Department and 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

Over the past ten years, the Department managed to increase its staffing compliment quite substantially, together with the associated goods and capital infrastructure, in order to address the capacity needs. The Department's staffing compliment was 198 224 as at the end of March 2013.

Over the medium term period ahead, the Department will be able to replace vacancies that arise due to personnel losses, and estimates a situation where personnel numbers stabilize on a total of 199 936.

4. UTILIZATION OF DONOR FUNDS

CHINA

The People's Republic of China and the Republic of South Africa entered into a cooperation agreement regarding the prevention, detection, suppression and investigation of criminal activities. The cooperation also included the following areas:

- Personnel management and training
- Public Order Policing
- Crime Prevention.

The SAPS sent forty-three (43) members for training in seven (7) courses offered by China.

DEPARTMENT OF POLICE
VOTE 25
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013

FRANCE

The bilateral police cooperation between the Department and the French Government primarily focused on operational and technical training. The cooperation expanded over the years and was split into the following two strategic programmes in 2010:

→ The “**105 Programme**”

The programme runs annually and is allocated a small budget from the French Government. The name: “105 Programme” was derived from nomenclature financial codes used in the French Finance Ministry. The programme is funded by several Ministries of the French Government.

→ The **Enhlangano Project**

The purpose of the project is to strengthen the capacity of the SAPS in dealing with the threat of criminal networks, including the procurement of requested equipment. Seven (7) Enhlangano programmes were presented to the Department.

In terms of the above programmes, the French Government provided training on transnational crime, which includes efficient border control; strengthening the capacity of specialist detective and investigative units; developing the crime scene management capacities of technical and scientific/forensic police units; crime intelligence-gathering capacity on terrorism; crowd management and professional interventions training (of which two members received training as crowd management trainers); and cockpit and flight safety which were funded by the French Government. Overall, one hundred and seventy-six (176) SAPS officers from the operational environment were trained in this regard.

BELGIUM

The Department continues to sustain police-to-police cooperation regarding harbour-related training interventions.

Five (5) courses were presented to equip members of the Department with the necessary **skills to manage harbour-related matters**. A total of one hundred and ten (110) SAPS members were trained.

Furthermore, the “Programme to Support the Planning and Management for Improved Organisational Performance” in the Strategic Management Component of the SAPS, which is funded by the Belgian Government as part of a bilateral support programme with South Africa and is aimed at equipping SAPS members with the necessary **knowledge and skills to provide strategic direction and facilitate planning processes** in the organization, continued in this period. During the 2012/2013 financial year, 15 members started on the programme, which will conclude in July 2013.

SUDAN

In terms of the SAPS/Sudan Development Assistance Programme Implementation Plan for 2009-07-01 to 2011-12-31, submitted by the Department to the Government of Norway, the Department was appointed as the implementing agency and the Human Resources Development Division was made responsible for implementing it. A total of eighty-one (81) members from Sudan were trained during the financial year, including a total of seven (7) dogs (four (4) dogs in narcotics detection and three (3) in explosives detection).

5. ORGANISATIONS TO WHICH TRANSFER PAYMENTS HAVE BEEN MADE

In terms of the Skills Development Act, 1998 (Act No 97 of 1998), and the Skills Development Levies, 1999 (Act No 9 of 1999), an amount of R29,571 million was paid to the Safety and Security Sector Education and Training Authority in 2012/13.

6. CORPORATE GOVERNANCE ARRANGEMENTS

A significant set of laws, policies, processes and practices is applicable to the SAPS and affects the way the SAPS is directed and controlled. Some of those aspects are the following:

6.1 FRAUD PREVENTION POLICIES

The combat unit of corruption was approached from two perspectives, the first being the key role that the Department has to play in the combating of corruption and fraud within the context of the JCPS Cluster outputs, and the second being the combating of corruption and fraud specifically in the SAPS.

Output 3 in the Refined Delivery Agreement 3 comprises two dimensions focusing the Cluster on reduced levels of corruption in the entire country and on reducing corruption within the Cluster so as to enhance its overall effectiveness. The Cluster has adopted a multidisciplinary approach to the combating of corruption both within the Cluster and the country to ensure the proper coordination of government resources. This approach, in which the Department adopted a central role, coordinates the activities of the Anti-Corruption Task Team (ACTT) in the DPCI with other key Cluster departments. The ACTT has progressed the detection and investigation of persons who personally benefitted to the extent of R5 million or more as a result of their involvement in corruption. The activities of the ACTT are supported, *inter alia*, by the Asset Forfeiture Unit and the South African Revenue Service to ensure the imposing of freezing orders and the recovery of the proceeds of corruption. In the period under review, the ACTT has successfully detected and investigated officials from numerous government departments and private companies, recovering significant proceeds of corrupt activities and ensuring the investigation and prosecution of implicated officials.

The Department has maintained its zero tolerance approach to corruption and fraud to its members by improving the detection and investigation of members involved in corrupt and fraudulent practices. This has resulted in an increase in the number of members detected and investigated on charges of corruption and fraud. The criminal investigation of members has been augmented by departmental action against affected members, however, the detection of members involved in corruption and fraud must be advanced in partnership with the Department's stakeholders in government and the private sector. Prevention remains the primary focus of the Department's anti-corruption approach with several initiatives having been implemented to increase members' awareness of the nature, causes and consequences of corruption and fraud.

6.2 MANAGEMENT PROCESSES TO MINIMISE CONFLICT OF INTEREST

The requirement for minimizing conflict of interest is currently focused on specific human resources-related practices, such as disclosure of financial interest by senior management, Supply Chain Management practices relating to the procurement of goods and services and the performance of remunerative work. These practices are regulated by government policy, including National Treasury Practice Notes and specific internal policies, such as various National Instructions.

Financial disclosure by SAPS members, regulated by the SAPS Employment Regulations, is applicable to members of personnel on salary levels 13 and higher. The SAPS complied with the disclosure of financial interest requirements by senior managers during the period under review.

Prescripts also require the completion of the declaration of interest documentation prior to the conducting of key administrative practices such as bid adjudication meetings and selection panels.

The performance of remunerative work outside of the public service is managed annually and members are required to apply for permission to perform such work in line with certain criteria and restrictions.

6.3 APPROACH TO RISK MANAGEMENT

The Department's identified specific risks that impact on the Strategic Plan 2010 - 2014 and Annual

DEPARTMENT OF POLICE
VOTE 25
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013

Performance Plans that support its implementation. The strategic risks identified are aligned with the strategic objectives, priorities and the financial programme structure with the express intention of ensuring the mitigation of the risks over the medium-term towards the improving of organizational performance. This alignment enables the delineation of the risks in accordance with input and output programmes and the structuring of appropriate mitigation responses to the risks at all levels, as the identified strategic risks impact largely on the SAPS's service delivery level.

The Department 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 the murder of police officials, the loss and theft of SAPS firearms and collisions involving SAPS vehicles. 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 internal control activities designed to achieve the mitigation of the strategic risks during 2012/13 will be developed further and extended to the 2013/14 financial year to ensure the progression of mitigation to the extent that the strategic risks may be removed from the strategic risk register at the end of the medium-term without compromising on the effectiveness of established internal controls.

The enhancement of the Enterprise Risk Management approach towards the improving of an integrated approach to reasonable assurance was progressed through the development of an Enterprise Risk Management Strategy (ERMS). The ERMS will be finalized for implementation during 2013/14.

6.4 IMPLEMENTATION AND ASSESSMENT OF THE CODE OF CONDUCT

The SAPS' Code of Conduct provides a standard for SAPS members to implement the constitutional mandate. The focus in terms of the implementation of the Code of Conduct remains that new entrants to the organisation, including both new and lateral entrants, must receive induction regarding the content and significance of the Code. In furthering the institutionalisation of the Code among existing members, the Department adopted a vigorous approach to the internal communication of the various elements of the Code, aligning these elements with basic policing functions. Serious contraventions of the Code by members were a prominent feature of internal communication, highlighting the harm caused to the member and the entire Department.

6.5 THE REQUIREMENTS OF THE KING III REPORT

The Department has improved its corporate governance based on the analysis of its extent of compliance with the King III Code of Corporate Governance. Measures have been implemented to advance ethical leadership and corporate citizenship, including the role and functions of boards and committees within the Department. The Audit Committee continues to provide valuable oversight of integrated reporting, internal and financial controls, the governance of risk and the internal audit function. The governing of stakeholder relationships is an element of the Code that has progressed during 2012/13, inclusive of both internal and external stakeholders, and focusing on creating internal and external engagement platforms, guided by transparent communication. The Department has maintained its integrated reporting and disclosure initiatives supported by improvements to other contributing dimensions of the Code.

6.6 EFFECTIVENESS OF INTERNAL AUDIT AND AUDITING COMMITTEE

The internal audit function's planning and approach are informed by the risk assessment of the Department and it directs its efforts to align with business performance. Internal audit, as a significant role player in governance, contributes to the endeavor to achieve strategic objectives and provides an effective challenge to all aspects of the governance, risk management and internal control environment. Risk-based, performance, forensic and information technology audits have been completed and reported to the Accounting Officer and the Audit Committee. The Component Head: Internal Audit, also known as the Chief Audit Executive (CAE), has a standing invitation to attend the Top Management Forum as an invitee to give regular feedback on internal audit matters and also protect the independence of the internal audit

function.

The mission of the SAPS Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve operations.

The Audit Committee has been established in terms of section 77 of the Public Finance Management Act. The Committee has a Charter which defines its authority, mandate and responsibilities. The CAE has full and independent access to the Accounting Officer, Chairman of the Audit Committee and top management of the Department. The Committee has fulfilled its responsibilities in terms of its Charter.

6.7 SAFETY, HEALTH AND ENVIRONMENT-RELATED MATTERS

Safety Health and Environment (SHE) Management aims at promoting a safe and healthy environment by providing a framework that allows the Department to consistently identify and prevent its health and safety risks, reduce the potential for accidents, aid legislative compliance and improve overall performance.

SHE Management is also responsible for ensuring the health and safety of all personnel in the execution of their daily duties.

Ongoing projects to improve health and safety

Legal Compliance Audits (inspections) at SAPS workplaces:

- Seventy-five per cent of planned audits were carried out (25% carried over to 2013/2014)

Medical surveillance:

- Twenty-two thousand nine hundred and seven medical authorizations (The target depends on applications).

Specifications for the following were compiled:

- Personal protective equipment (coveralls, safety glasses (shooting range) face gas mask, armguard bite sleeve, respirators and bite suit)
- Bomb-disposal vehicle
- Roadblock trailer
- Crime-scene vehicle
- Gas installation (LPG)
- K9 box (dog cage)
- Rifle safety

A Communication Plan to promote awareness on health and safety within the Department.

- Eight information sessions were conducted.

Development of Safe Working Procedures and Standards for Health and Safety:

- Disposal of hazardous waste
- Food Hygiene Guideline

DEPARTMENT OF POLICE
VOTE 25
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013

- Signage
- Induction to the workplace
- Standard for First Aid.

All reported incidents in the Department were investigated, and a report was sent to the Department of Labour.

- Two fatality cases were investigated.
- Two fire cases were investigated.
- One non-fatality case was investigated.

All the personnel of the Department, including all the communities, are valued assets and clients.

7. ASSET MANAGEMENT

Assets have been captured on the asset register of the Department and an annual stocktaking certificate of the department has been submitted to National Treasury.

The minimum requirements for asset management have been achieved in terms of compliance (in terms of feedback on the moderated MPAT 2012/2013 assessment).

Threshold values in terms of asset classification have been revised to effectively report on financial threshold values as prescribed in the Asset Management Framework.

8. INVENTORIES

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

9. INFORMATION ON PREDETERMINED OBJECTIVES

During 2012/13, the Department compiled an Annual Performance Plan (APP) 2012/13, which comprises objectives, priorities, performance indicators, baselines and Medium Term Expenditure Framework (MTEF) targets, developed in consultation with National Treasury and the Presidency.

Quarterly reports were compiled in line with National Treasury's "Quarterly Performance Reporting Guidelines" to monitor progress regarding the implementation of priorities, performance indicators and targets, as described in the APP, and took corrective measures where necessary.

A framework for the management and reporting of performance information was developed. This framework captures process flows for each performance indicator as described in the APP. The process flows include the sources of information, existing systems of measure, technical indicator description and reporting lines. An action plan was developed to implement corrective measures to address the findings issued by the Auditor-General during the audit of predetermined objectives against targets for 2011/12. Monthly progress reports on the implementation of the plan were submitted to the SAPS Audit Committee, the Auditor-General and Internal Audit.

The SAPS has, in collaboration with the office of the Auditor-General, commenced with workshops at provincial offices to sensitise all station commanders on the auditing of predetermined objectives.

10. SCOPA RESOLUTIONS

The following progress has been made regarding SCOPA resolution 1/2009:

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Audit Report on Performance Audit SCOPA Resolution 1/2009	Vehicle Management: - Implementing AVL - Training employees without driver's licences - Monitoring the use of vehicles - Maintaining vehicles' turnaround times.	Substantial progress
	Training: - Exposing members to training - Training database - Training budget.	Substantial progress
	Community Service Centres: - Access for people with disabilities - Infrastructure of police stations.	Substantial progress
	Domestic violence: - Compliance with National Instruction and Domestic Violence Act.	Substantial progress
	Bullet-resistant vests: - Issuing of bullet-resistant vests.	Substantial progress
	10111 Call centres: - Compliance with norms and standards - Shortcomings in respect of equipment and people - Contingency plans - Training.	Substantial progress

11. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made with clearing/resolving the matter
<p><u>Visible policing – reporting indicators reported on through the case administration system (CAS) inadequate audit trail to verify the completeness</u></p> <p>58% (>20%) of the positive Incident Reports (IR) (10111 calls that should result in a docket) were not linked to dockets on the Crime Administration System (CAS).</p>	2011/2012	<ul style="list-style-type: none"> - Various steps were taken to link positive IR numbers for the period 1 April 2012 to 31 March 2013 with case dockets on CAS. - A draft Standard Operational Guideline for 10111 call centres and police stations has been developed to support the correlation and linkage of case numbers to positive cases. The final document will be implemented in May 2013. - Provincial Commissioners were encouraged to establish 10111 Call Centre Management Forums to monitor the linkage of positive IR numbers with case numbers.
<p><u>Visible policing – reporting indicators not complete</u></p> <p>A total of 30% (>20%) of the actual reported drugs seized relevant to Programme 2: Visible Policing was not complete when compared to source information.</p>	2010/11	<ul style="list-style-type: none"> - The system to record recoveries was enhanced to address various issues such as control and accountability. - Specifications to procure weighing scales and a tender process for procurement to put weighing scales at selected FSLs, have been finalised. - A draft Standard Operational Procedure and a training manual relating to the use of the relevant system have been developed. - As on 31 March 2013, a total number of 1 285 members from provincial, cluster and police station level were trained in using the improved system. - Various divisional instructions relating to the development and registration of operational plans and the recording of successes, have been issued.

DEPARTMENT OF POLICE
VOTE 25
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013

12. INTERIM FINANCIAL STATEMENTS

According to National Treasury Practice Note 1 of 2012/2013, departments were required to complete Interim Financial Statements (IFS) for the periods ending 30 June 2012, 30 September 2012, 31 December 2012 and 31 March 2013 and submit these statements on 31 July 2012, 31 October 2012, 31 January 2013 and 30 April 2013, respectively.

The Department complied with the prescripts in all instances. The compilation of quarterly IFS ensured structured management information for decision-making purposes, as well as the assurance of complete and accurate Annual Financial Statements.

13. OTHER MATTERS

13.1 CONTINGENT LIABILITIES: CIVIL CLAIMS

An analysis of civil claims instituted against the Department over the past two (2) financial years of which a settlement was reached, or court order issued during a specific financial year, revealed that the amounts paid compared to the original claim amounts, which were settled during a financial year, is on average 4,98%. In other words on average 95,02% from original claim amounts is cancelled or reduced during the settlement process.

14. APPROVED

The Annual Financial Statements set out from pages 206 to 260, as well as a set of Annual Financial Statements compiled for consolidation purposes, have been approved by the Accounting Officer.



GENERAL

NATIONAL COMMISSIONER: SOUTH AFRICAN POLICE SERVICE
MV PHIYEGA

Date: 2013 - 05 - 28

DEPARTMENT OF POLICE
VOTE 25
STATEMENT OF RESPONSIBILITY FOR THE
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

**STATEMENT OF RESPONSIBILITY FOR THE ANNUAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH 2013**

The Accounting Office is responsible for the preparation of the department's annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the department.

The Department of Police AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 201

The Annual Financial Statements of the Department set out on pages 206 to 260 have been approved.



GENERAL

NATIONAL COMMISSIONER: SOUTH AFRICAN POLICE SERVICE
ACCOUNTING OFFICER
MV PHIYEGA

Date:

**REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT ON VOTE NO. 25
DEPARTMENT OF POLICE**
for the year ended 31 March 2013

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the financial statements of the Department of Police set out on pages 206 to 260, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 the accounting officer determines is 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. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. 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.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Police as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with The Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

EMPHASIS OF MATTERS

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

SIGNIFICANT UNCERTAINTY

8. With reference to note 18 to the financial statements the department is disclosing a contingent liability for the lease contract of the Pretoria building. The Department of Public Works applied 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 and papers were filed.
9. The full extent of the possible irregularities, as disclosed in note 24 to the financial statements, is still in the process of being determined.

MATERIAL UNDER-SPENDING

10. As disclosed in the appropriation statement, the department utilized R63,157 billion (99.6%) of its total budget. An amount of R232 million (0.4%) (2012: R617 million (1.1%)) remained unspent at year-end. This under spending resulted from delayed procurement processes in the Criminal Justice System (CJS) as relating to Program 3: Detective Services.

ADDITIONAL MATTERS

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

FINANCIAL REPORTING FRAMEWORK

12. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2)(a) of the PAA, however requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

UNAUDITED SUPPLEMENTARY SCHEDULES

13. The supplementary information set out in annexures 1 to 8 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

14. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

PREDETERMINED OBJECTIVES

15. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 33 to 34, 72 to 75, 107 to 110, 143 and 147 of the annual report.
16. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further

**REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT ON VOTE NO. 25
DEPARTMENT OF POLICE
for the year ended 31 March 2013**

relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information.

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

17. The material findings are as follows:

RELIABILITY OF INFORMATION

PROGRAMME 2: VISIBLE POLICING

18. The National Treasury *Framework for managing programme performance information (FMPP)* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

19. The following significant targets with respect to Programme 2 – Visible Policing are misstated:

- 15% of positive incidents reported that should or should not have resulted in a case docket, cannot be verified due to inadequate information recorded on incidents reports.
- Reaction time in respect of Alpha, Bravo and Charlie complaints captured on the CAS system could not be verified as no systems are in place by SAPS to confirm the reliability.
- In 24% of the illicit drug success cases and 34% of the confiscated liquor cases reported, the actual achievement reported could not be verified against adequate supporting documentation. This was as a result of no reconciliation being done between the information recorded on the Operational & Management System (OPAM), the exhibit store register (SAP 13) as well as the CAS system.
- 44% of the firearms applications could not be confirmed as the application forms were not available for audit and as a result I am not able to verify the actual reported number of licenses processed in the annual performance report. This was due to inadequate record keeping of the applications.
- I was unable to verify actual achievement against targets for 14% of the reported incidents relating to medium to high risk events due to incomplete information recorded in the quarterly reports.

ADDITIONAL MATTER

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

ACHIEVEMENT OF PLANNED TARGETS

21. Of the total number of planned targets for the year, 14 (2012: 18) targets were not achieved during the year. This represents 22% (2012: 32%) of total planned targets during the year under review.

22. The reasons for not achieving the targets are as per comments on the variances included in the annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

23. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA are as follows:

STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

24. The department did not maintain an effective, efficient and transparent system and internal controls 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

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control 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

26. 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).

27. Commanders at provincial level responsible did not exercise oversight ensuring adherence to internal controls, policies and procedures at programme / objective level and for the purposes of taking corrective actions.

OTHER REPORTS

INVESTIGATIONS

INVESTIGATIONS CONDUCTED WITHIN THE DEPARTMENT

28. Eight Hundred and ninety two (892) 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).

29. Twenty two (22) members were suspended: 14 without salary and 8 with salary. Eight hundred and seventy (870) members were not suspended. One thousand twenty six (1026) corruption charges were brought against members of whom ninety seven (97) members were charged with more than one crime.

EXTERNAL INVESTIGATIONS CONDUCTED WITHIN THE DEPARTMENT

30. Special investigations are currently in process with regard to the procurement processes within SAPS. These investigations were still ongoing at the reporting date.

**REPORT OF THE AUDITOR-GENERAL
TO PARLIAMENT ON VOTE NO. 25
DEPARTMENT OF POLICE**
for the year ended 31 March 2013

PERFORMANCE AUDITS ON THE USE OF CONSULTANTS

31. A performance audit was conducted on the department's use of consultants. The audit focused on the economic, efficient and effective use of consultants by the department. The management report was issued during this year.

Auditor-General

Pretoria

31 July 2013



DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Appropriation per Programme											
2012/13											2011/12
	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		
1. Administration											
Current payment	14 603 161	0	(349 637)	14 253 524	14 253 510	14	100,0%	13 308 374	13 308 364		
Transfers and subsidies	251 869	0	85 723	337 592	337 592	0	100,0%	265 508	265 508		
Payment for capital assets	1 078 226	0	(104 675)	973 551	973 551	0	100,0%	1 167 571	901 043		
Payment for financial assets	0	0	5 665	5 665	5 665	0	100,0%	6 639	6 639		
2. Visible Policing											
Current payment	28 276 192	0	290 952	28 567 144	28 567 144	0	100,0%	26 372 060	26 372 060		
Transfers and subsidies	174 155	0	(18 014)	156 141	156 141	0	100,0%	167 797	167 797		
Payment for capital assets	1 064 782	0	(261 011)	803 771	803 771	0	100,0%	910 416	910 416		
3. Detective Services											
Current payment	12 819 747	0	(408 670)	12 411 077	12 178 995	232 082	98,1%	11 121 838	10 770 960		
Transfers and subsidies	55 438	0	(911)	54 527	54 527	0	100,0%	53 148	53 148		
Payment for capital assets	667 739	0	792 389	1 460 128	1 460 128	0	100,0%	1 092 949	1 092 949		
4. Crime Intelligence											
Current payment	2 538 578	0	(14 310)	2 524 268	2 524 268	0	100,0%	2 352 653	2 352 653		
Transfers and subsidies	8 217	0	6 823	15 040	15 040	0	100,0%	16 379	16 379		
Payment for capital assets	43 805	0	(13 026)	30 779	30 779	0	100,0%	26 559	26 559		
5. Protection and Security Services											
Current payment	1 737 652	0	12 143	1 749 795	1 749 795	0	100,0%	1 622 136	1 622 136		
Transfers and subsidies	4 098	0	(1 578)	2 520	2 520	0	100,0%	2 634	2 634		
Payment for capital assets	65 030	0	(21 863)	43 167	43 167	0	100,0%	63 876	63 876		
Total	63 388 689	0	0	63 388 689	63 156 593	232 096	99,6%	58 550 537	57 933 121		
Reconciliation with Statement of Financial Performance											
Add: Departmental revenue				342 023					288 760		
Aid assistance				9 686					23 165		
Actual amounts per Statement of Financial Performance (Total Revenue)				63 740 398					58 862 462		
Add: Aid assistance					11 387						13 122
Actual amounts per Statement of Financial Performance (Total Expenditure)					63 167 980						57 946 243

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Appropriation per Economic classification									
2012/13									
	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 %	2011/12	
								Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	46 833 223	0	(8 650)	46 824 573	46 824 559	14	100,0%	42 427 702	42 427 702
Goods and services	13 142 107	0	(460 872)	12 681 235	12 449 153	232 082	98,2%	12 349 359	11 998 471
Transfers and subsidies									
Provinces and municipalities	26 605	0	4 629	31 234	31 234	0	100,0%	29 771	29 771
Departmental agencies and accounts	29 399	0	172	29 571	29 571	0	100,0%	26 822	26 822
Non profit institutions	0	0	0	0	0	0		1 000	1 000
Households	437 773	0	67 242	505 015	505 015	0	100,0%	447 873	447 873
Payment for capital assets									
Buildings and other fixed structures	794 557	0	(102 925)	691 632	691 632	0	100,0%	937 647	671 119
Machinery and equipment	2 124 775	0	494 667	2 619 442	2 619 442	0	100,0%	2 322 147	2 322 147
Biological assets	250	0	72	322	322	0	100,0%	1 577	1 577
Payment for financial assets	0	0	5 665	5 665	5 665	0	100,0%	6 639	6 639
Total	63 388 689	0	0	63 388 689	63 156 593	232 096	99,6%	58 550 537	57 933 121

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme		Detail per programme 1 - Administration									
		2012/13					2011/12				
	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		
1.1 Ministry											
Current payment	24 769	0	(2 978)	21 791	21 791	0	100%	21 640	21 640		
Transfer and subsidies	10	0	35	45	45	0	100%	12	12		
Payment for capital assets	1 230	0	(554)	676	676	0	100%	1 657	1 657		
1.2 Management											
Current payment	102 432	0	(7 523)	94 909	94 909	0	100%	80 658	80 658		
Transfers and subsidies	15	0	287	302	302	0	100%	1 133	1 133		
Payment for capital assets	1 375	0	2 521	3 896	3 896	0	100%	3 910	3 910		
1.3 Corporate Services											
Current payment	11 636 719	0	(287 999)	11 348 720	11 348 706	14	100%	10 714 886	10 714 876		
Transfers and subsidies	251 844	0	85 401	337 245	337 245	0	100%	264 363	264 363		
Payment for capital assets	1 075 621	0	(106 642)	968 979	968 979	0	100%	1 162 004	895 476		
Payment for financial assets	0	0	5 665	5 665	5 665	0	100%	6 639	6 639		
1.4 Office Accommodation											
Current payment	2 839 241	0	(51 137)	2 788 104	2 788 104	0	100%	2 491 190	2 491 190		
Total	15 933 256	0	(362 924)	15 570 332	15 570 318	14	100%	14 748 092	14 481 554		

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Economic classification	2012/13					2011/12			
	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	7 859 654	0	(19 697)	7 839 957	7 839 943	14	100%	7 035 087	7 035 087
Goods and services	6 743 507	0	(329 940)	6 413 567	6 413 567	0	100%	6 273 287	6 273 277
Transfers and subsidies									
Provinces and municipalities	3 922	0	2 319	6 241	6 241	0	100%	4 720	4 720
Departmental agencies and accounts	29 399	0	172	29 571	29 571	0	100%	26 822	26 822
Households	218 548	0	83 232	301 780	301 780	0	100%	233 966	233 966
Payment for capital assets									
Buildings and other fixed structures	794 557	0	(103 734)	690 823	690 823	0	100%	936 502	669 974
Machinery and equipment	283 419	0	(872)	282 547	282 547	0	100%	229 700	229 700
Biological assets	250	0	(69)	181	181	0	100%	1 369	1 369
Payment for financial assets	0	0	5 665	5 665	5 665	0	100%	6 639	6 639
Total	15 933 256	0	(362 924)	15 570 332	15 570 318	14	100%	14 748 092	14 481 554

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per sub-programme	Detail per programme 2 - Visible Policing							2011/12	
	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	24 527 536	0	179 218	24 706 754	24 706 754	0	100%	22 935 009	22 935 009
Transfers and subsidies	161 222	0	(26 701)	134 521	134 521	0	100%	152 840	152 840
Payment for capital assets	1 007 683	0	(292 981)	714 702	714 702	0	100%	841 249	841 249
2.2 Border Security									
Current payment	1 484 476	0	(7 863)	1 456 613	1 456 613	0	100%	1 418 009	1 418 009
Transfers and subsidies	1 617	0	1 731	3 348	3 348	0	100%	2 929	2 929
Payment for capital assets	27 419	0	(20 073)	7 346	7 346	0	100%	13 669	13 669
2.3 Specialised Interventions									
Current payment	2 284 180	0	119 597	2 403 777	2 403 777	0	100%	2 019 042	2 019 042
Transfers and subsidies	11 316	0	6 956	18 272	18 272	0	100%	12 028	12 028
Payment for capital assets	29 680	0	52 043	81 723	81 723	0	100%	55 498	55 498
Total	29 515 129	0	11 927	29 527 056	29 527 056	0	100%	27 450 273	27 450 273

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Economic classification	2012/13					2011/12			
	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	25 164 996	0	17 765	25 182 761	25 182 761	0	100%	22 913 429	22 913 429
Goods and services	3 111 196	0	273 187	3 384 383	3 384 383	0	100%	3 458 631	3 458 631
Transfers and subsidies									
Provinces and municipalities	16 048	0	949	16 997	16 997	0	100%	18 521	18 521
Non-profit institutions	0	0	0	0	0	0	100%	1 000	1 000
Households	158 107	0	(18 963)	139 144	139 144	0	100%	148 276	148 276
Payment for capital assets									
Buildings and other fixed structures	0	0	753	753	753	0	100%	591	591
Machinery and equipment	1 064 782	0	(261 905)	802 877	802 877	0	100%	909 617	909 617
Biological assets	0	0	141	141	141	0	100%	208	208
Total	29 515 129	0	11 927	29 527 056	29 527 056	0	100%	27 450 273	27 450 273

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per programme 3 - Detective Services									
Detail per sub-programme		2012/13						2011/12	
		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
3.1 Crime Investigations									
Current payment	8 305 698	0	268 545	8 574 243	8 567 819	6 424	99,9%	7 720 373	7 720 373
Transfers and subsidies	48 589	0	(2 717)	45 872	45 872	0	100,0%	42 836	42 836
Payment for capital assets	236 955	0	127 858	364 813	364 813	0	100,0%	178 764	178 764
3.2 Criminal Record Centre									
Current payment	1 598 708	0	2 101	1 600 809	1 466 382	134 427	91,6%	1 265 991	1 230 005
Transfers and subsidies	1 375	0	1 345	2 720	2 720	0	100,0%	2 664	2 664
Payment for capital assets	99 803	0	13 517	113 320	113 320	0	100,0%	97 560	97 560
3.3 Forensic Science Laboratory									
Current payment	1 710 468	0	(595 062)	1 115 406	1 024 175	91 231	91,8%	1 100 628	785 736
Transfers and subsidies	381	0	(33)	348	348	0	100,0%	837	837
Payment for capital assets	314 311	0	583 600	897 911	897 911	0	100,0%	781 213	781 213
3.4 Specialised Investigations									
Current payment	1 204 873	0	(84 254)	1 120 619	1 120 619	0	100,0%	1 034 846	1 034 846
Transfers and subsidies	5 093	0	494	5 587	5 587	0	100,0%	6 811	6 811
Payment for capital assets	16 670	0	67 414	84 084	84 084	0	100,0%	35 412	35 412
Total	13 542 924	0	382 808	13 925 732	13 693 650	232 082	98,3%	12 267 935	11 917 057

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Economic classification	2012/13					2011/12			
	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	9 911 955	0	22 061	9 934 016	9 934 016	0	100,0%	8 894 252	8 894 252
Goods and services	2 907 792	0	(430 731)	2 477 061	2 244 979	232 082	90,6%	2 227 586	1 876 708
Transfers and subsidies									
Provinces and municipalities	5 389	0	1 220	6 609	6 609	0	100,0%	5 270	5 270
Households	50 049	0	(2 131)	47 918	47 918	0	100,0%	47 878	47 878
Payment for capital assets									
Buildings and other fixed structures	0	0	56	56	56	0	100,0%	389	389
Machinery and equipment	667 739	0	792 333	1 460 072	1 460 072	0	100,0%	1 092 560	1 092 560
Total	13 542 924	0	382 808	13 925 732	13 693 650	232 082	98,3%	12 267 935	11 917 057

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per programme 4 - Crime Intelligence										
Detail per sub-programme		2012/13						2011/12		
		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
4.1 Crime Intelligence Operations										
	Current payment	1 005 339	0	(16 334)	989 005	989 005	0	100%	917 828	917 828
	Transfers and subsidies	4 094	0	1 123	5 217	5 217	0	100%	7 205	7 205
	Payment for capital assets	24 252	0	(2 308)	21 944	21 944	0	100%	19 247	19 247
4.2 Intelligence and Information Management										
	Current payment	1 533 239	0	2 024	1 535 263	1 535 263	0	100%	1 434 825	1 434 825
	Transfers and subsidies	4 123	0	5 700	9 823	9 823	0	100%	9 174	9 174
	Payment for capital assets	19 553	0	(10 718)	8 835	8 835	0	100%	7 312	7 312
	Total	2 590 600	0	(20 513)	2 570 087	2 570 087	0	100%	2 395 591	2 395 591
Economic classification										
		2012/13						2011/12		
		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	2 304 956	0	(17 682)	2 287 274	2 287 274	0	100%	2 119 339	2 119 339
	Goods and services	233 622	0	3 372	236 994	236 994	0	100%	233 314	233 314
Transfers and subsidies										
	Provinces and municipalities	718	0	63	781	781	0	100%	767	767
	Households	7 499	0	6 760	14 259	14 259	0	100%	15 612	15 612
Payment for capital assets										
	Machinery and equipment	43 805	0	(13 026)	30 779	30 779	0	100%	26 559	26 559
	Total	2 590 600	0	(20 513)	2 570 087	2 570 087	0	100%	2 395 591	2 395 591

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Detail per programme 5 - Protection and Security Services										
Detail per sub-programme		2012/13						2011/12		
		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
5.1 VIP Protection Services										
Current payment	647 936	0	64 314	712 250	712 250	0	100%	603 449	603 449	
Transfers and subsidies	1 364	0	(498)	866	866	0	100%	1 563	1 563	
Payment for capital assets	45 674	0	(10 627)	35 047	35 047	0	100%	58 361	58 361	
5.2 Static and Mobile Security										
Current payment	825 036	0	(45 724)	779 312	779 312	0	100%	758 683	758 683	
Transfers and subsidies	2 247	0	(1 170)	1 077	1 077	0	100%	852	852	
Payment for capital assets	13 807	0	(9 324)	4 483	4 483	0	100%	1 058	1 058	
5.3 Government Security Regulator										
Current payment	83 840	0	2 345	86 185	86 185	0	100%	79 114	79 114	
Transfers and subsidies	10	0	145	155	155	0	100%	72	72	
Payment for capital assets	1 321	0	1 860	3 181	3 181	0	100%	2 928	2 928	
5.4 Operational Support										
Current payment	180 840	0	(8 792)	172 048	172 048	0	100%	180 890	180 890	
Transfers and subsidies	477	0	(55)	422	422	0	100%	147	147	
Payment for capital assets	4 228	0	(3 772)	456	456	0	100%	1 529	1 529	
Total	1 806 780	0	(11 298)	1 795 482	1 795 482	0	100%	1 688 646	1 688 646	

DEPARTMENT OF POLICE
VOTE 25
APPROPRIATION STATEMENT
for the year ended 31 March 2013

Economic classification	2012/13					2011/12			
	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	1 591 662	0	(11 097)	1 580 565	1 580 565	0	100%	1 465 595	1 465 595
Goods and services	145 990	0	23 240	169 230	169 230	0	100%	156 541	156 541
Transfers and subsidies									
Provinces and municipalities	528	0	78	606	606	0	100%	493	493
Households	3 570	0	(1 656)	1 914	1 914	0	100%	2 141	2 141
Payment for capital assets									
Buildings and other fixed structures	0	0	0	0	0	0	100%	165	165
Machinery and equipment	65 030	0	(21 863)	43 167	43 167	0	100%	63 711	63 711
Total	1 806 780	0	(11 298)	1 795 482	1 795 482	0	100%	1 688 646	1 688 646

DEPARTMENT OF POLICE
VOTE 25
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013

- 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 25
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2013

PERFORMANCE	<i>Note</i>	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	1	63 388 689	58 550 537
Departmental revenue	2	342 023	288 760
Aid assistance	3	9 686	23 165
TOTAL REVENUE		<u>63 740 398</u>	<u>58 862 462</u>
EXPENDITURE			
Current expenditure			
Compensation of employees	4	46 824 559	42 427 702
Goods and services	5	12 449 153	11 998 471
Aid assistance	3	11 387	13 008
Total current expenditure		<u>59 285 099</u>	<u>54 439 181</u>
Transfers and subsidies			
Transfers and subsidies	7	565 820	505 466
Total transfers and subsidies		<u>565 820</u>	<u>505 466</u>
Expenditure for capital assets			
Tangible capital assets	8	3 311 396	2 994 843
Aid assistance	3	0	114
Total expenditure for capital assets		<u>3 311 396</u>	<u>2 994 957</u>
Payments for financial assets	6	5 665	6 639
TOTAL EXPENDITURE		<u>63 167 980</u>	<u>57 946 243</u>
SURPLUS FOR THE YEAR		<u>572 418</u>	<u>916 219</u>
Reconciliation of Net Surplus for the year			
Voted funds		232 096	617 416
Annual appropriation		232 096	617 416
Departmental revenue	14	342 023	288 760
Aid assistance	3	(1 701)	10 043
SURPLUS FOR THE YEAR		<u>572 418</u>	<u>916 219</u>

DEPARTMENT OF POLICE
VOTE 25
STATEMENT OF FINANCIAL POSITION
as at 31 March 2013

POSITION	<i>Note</i>	2012/13 R'000	2011/12 R'000
ASSETS			
Current assets		335 922	703 689
Cash and cash equivalents	9	136 054	507 854
Prepayments and advances	10	29 538	49 317
Receivables	11	170 330	146 518
Non-current assets		177 399	167 031
Receivables	12	177 399	167 031
TOTAL ASSETS		<u>513 321</u>	<u>870 720</u>
LIABILITIES			
Current liabilities		250 096	645 431
Voted funds to be surrendered to the Revenue Fund	13	232 096	617 416
Departmental revenue to be surrendered to the Revenue Fund	14	6 844	3 490
Payables	15	4 659	14 517
Aid assistance repayable	3	229	1 810
Aid assistance unutilised	3	6 268	8 198
TOTAL LIABILITIES		<u>250 096</u>	<u>645 431</u>
NET ASSETS		<u>263 225</u>	<u>225 289</u>
Represented by:			
Recoverable revenue		263 225	225 289
TOTAL		<u>263 225</u>	<u>225 289</u>

DEPARTMENT OF POLICE
VOTE 25
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2013

NET ASSETS	<i>Note</i>	2012/13 R'000	2011/12 R'000
Recoverable revenue			
Opening balance		225 289	135 091
Transfers:		37 936	90 198
Irrecoverable amounts written off	6.5	(20 414)	(25 253)
Debts revised	11.5	(61 991)	(20 137)
Debts recovered (included in departmental receipts)		(145 058)	(98 857)
Debts raised		265 399	234 445
Closing balance		<u>263 225</u>	<u>225 289</u>

DEPARTMENT OF POLICE
VOTE 25
CASH FLOW STATEMENT
for the year ended 31 March 2013

CASH FLOW	<i>Note</i>	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts:		63 737 648	58 857 373
Annual appropriated funds received	1.1	63 388 689	58 550 537
Departmental revenue received	2	339 273	283 671
Aid assistance received	3.3	9 686	23 165
Net (increase)/decrease in working capital		(24 259)	(15 083)
Surrendered to Revenue Fund	13 & 14	(956 085)	(291 404)
Surrendered to the RDP Fund	3.3	(1 810)	(2 925)
Current payments		(59 285 099)	(54 439 181)
Payments for financial assets		(5 665)	(6 639)
Transfers and subsidies paid		(565 820)	(505 466)
Net cash flow available from operating activities	16	<u>2 898 910</u>	<u>3 596 675</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	3.3 & 8	(3 311 396)	(2 994 957)
Proceeds from sale of capital assets	2	2 750	5 089
Net cash flows from investing activities		<u>(3 308 646)</u>	<u>(2 989 868)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in net assets		37 936	90 198
Net cash flows from financing activities		<u>37 936</u>	<u>90 198</u>
Net increase/(decrease) in cash and cash equivalents		(371 800)	697 005
Cash and cash equivalents at beginning of period		507 854	(189 151)
Cash and cash equivalents at end of period	17	<u><u>136 054</u></u>	<u><u>507 854</u></u>

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 1 of 2010.

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.g. 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.

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.

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

DEPARTMENT OF POLICE
VOTE 25
ACCOUNTING POLICIES
for the year ended 31 March 2013

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

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.

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 DIRECT EXCHEQUER PAYMENTS

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).

2.5 AID ASSISTANCE

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexure 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.

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 SALARIES AND WAGES

Salaries and wages 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).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and not 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 SOCIAL CONTRIBUTIONS

Employer contribution to post employment benefit plans in respect of current employees 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.

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

3.2 GOODS AND SERVICES

Payments made during the year 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.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

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 PAYMENTS FOR FINANCIAL ASSETS

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings

DEPARTMENT OF POLICE
VOTE 25
ACCOUNTING POLICIES
for the year ended 31 March 2013

and/or under spending 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.

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.

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 are derecognised as and when the goods and services are received or the funds are utilised. 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 (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus 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 in the asset register 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 is accountable for the asset.

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

DEPARTMENT OF POLICE
VOTE 25
ACCOUNTING POLICIES
for the year ended 31 March 2013

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 a capital expense in the statement of financial performance and are not apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

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.

DEPARTMENT OF POLICE
VOTE 25
ACCOUNTING POLICIES
for the year ended 31 March 2013

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 25
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

1. **Annual Appropriation**

1.1 **Annual Appropriation**

	2012/13			2011/12
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received
	R'000	R'000	R'000	R'000
Administration	15 570 332	15 570 332	0	14 748 092
Visible Policing	29 527 056	29 527 056	0	27 450 273
Detective Services	13 925 732	13 925 732	0	12 267 935
Crime Intelligence	2 570 087	2 570 087	0	2 395 591
Protection and Security Services	1 795 482	1 795 482	0	1 688 646
Total	63 388 689	63 388 689	0	58 550 537

2. **Departmental revenue**

	Note	2012/13 R'000	2011/12 R'000
Sales of goods and services other than capital assets	2.1	150 335	135 686
Fines, penalties and forfeits	2.2	22 710	25 657
Interest, dividends and rent on land	2.3	780	771
Sales of capital assets	2.4	2 750	5 089
Transactions in financial assets and liabilities	2.5	165 448	121 557
Departmental revenue collected		342 023	288 760
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		139 491	128 165
Administrative fees		20 518	14 652
Other sales		118 973	113 513
Sales of scrap, waste and other used current goods		10 844	7 521
Total		150 335	135 686
2.2 Fines, penalties and forfeits	2		
Fines		1 741	985
Forfeits		20 969	24 672
Total		22 710	25 657
2.3 Interest, dividends and rent on land	2		
Interest		780	771
Total		780	771
2.4 Sale of capital assets	2		
Tangible assets		2 750	5 089
Machinery and equipment	28.2	2 736	5 087
Biological assets	28.2	14	2
Total		2 750	5 089

Detail note 2 continued...

	Note	2012/13 R'000	2011/12 R'000
2.5 Transactions in financial assets and liabilities	2		
Stale cheques written back		18 219	11 826
Other Receipts including Recoverable Revenue		147 229	109 731
Total		<u>165 448</u>	<u>121 557</u>
3. Aid assistance			
3.1 Assistance received in cash from RDP			
Foreign			
Opening Balance		3 298	(3 820)
Revenue		9 031	23 165
Expenditure		5 496	13 122
Current		5 496	13 008
Capital		0	114
Surrender to the RDP		1 810	2 925
Closing Balance		<u>5 023</u>	<u>3 298</u>
3.2 Aid assistance received in cash from other sources			
Local			
Opening Balance		0	0
Revenue		655	0
Expenditure		0	0
Current		0	0
Capital		0	0
Surrendered to the donor		0	0
Closing Balance		<u>655</u>	<u>0</u>
3.3 Aid assistance received in cash from CARA Fund			
Opening Balance		6 710	6 710
Revenue		0	0
Expenditure		5 891	0
Current		5 891	0
Capital		0	0
Closing Balance		<u>819</u>	<u>6 710</u>
3.4 Total assistance			
Opening Balance		10 008	2 890
Revenue		9 686	23 165
Expenditure		11 387	13 122
Current		11 387	13 008
Capital		0	114
Surrender to the RDP		1 810	2 925
Closing Balance	ANNEXURE 4	<u>6 497</u>	<u>10 008</u>

DEPARTMENT OF POLICE
VOTE 25
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 3 continued...

Detail note 3 continued...	<i>Note</i>	2012/13	2011/12
		R'000	R'000
3.5 Analysis of balance			
Aid assistance receivable		0	0
RDP		0	0
Aid assistance unutilised		6 268	8 198
RDP		4 794	1 488
Other sources		655	0
CARA Fund		819	6 710
Aid assistance repayable		229	1 810
RDP		229	1 810
Closing balance		6 497	10 008
4. Compensation of employees			
4.1 Salaries and wages			
Basic salary		30 291 193	27 462 582
Performance award		4 468	6 628
Service Based		62 769	74 044
Compensative/circumstantial		654 241	600 498
Other non-pensionable allowances		5 727 760	5 187 590
Total		36 740 431	33 331 342
4.2 Social contributions			
Employer contributions			
Pension		4 823 747	4 283 076
Medical		5 254 640	4 807 727
Official unions and associations		5 741	5 557
Total		10 084 128	9 096 360
Total compensation of employees		46 824 559	42 427 702
Average number of employees		198 132	195 584
5. Goods and services			
Administrative fees		52 531	45 316
Advertising		16 673	28 708
Assets less than R5,000	5.1	419 742	332 240
Bursaries (employees)		4 863	3 849
Catering		28 367	22 180
Communication		674 959	714 010
Computer services	5.2	2 132 842	2 138 057
Consultants, contractors and agency/outsourced services	5.3	1 480 473	1 522 828
Entertainment		1 610	2 580
Audit cost - external	5.4	29 819	29 214
Inventory	5.5	3 408 135	3 123 296
Operating leases		2 058 263	1 837 761
Property payments	5.6	933 698	1 013 860
Transport provided as part of the departmental activities		972	2 229

Detail note 5 continued...

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Travel and subsistence	5.7	712 673	660 556
Venues and facilities		41 855	32 432
Training and staff development		62 799	56 342
Other operating expenditure	5.8	388 879	433 013
Total		<u>12 449 153</u>	<u>11 998 471</u>
5.1 Assets less than R5,000	5		
Tangible assets		255 721	212 858
Buildings and other fixed structures		52	106
Biological assets		0	15
Transport assets		0	20
Machinery and equipment		255 669	212 717
Intangible		164 021	119 382
Computer software		164 021	119 382
Total		<u>419 742</u>	<u>332 240</u>
5.2 Computer services	5		
SITA computer services		1 662 010	1 589 083
External computer service providers		470 832	548 974
Total		<u>2 132 842</u>	<u>2 138 057</u>
5.3 Consultants, contractors and agency/outsourced services	5		
Business and advisory services		23 480	14 910
Infrastructure and planning		78	279
Laboratory services		2 786	188
Legal costs		165 684	135 338
Contractors		907 842	1 010 993
Agency and support/outsourced services		380 603	361 120
Total		<u>1 480 473</u>	<u>1 522 828</u>
5.4 Audit cost - External	5		
Regularity audits		29 493	29 078
Performance audits		326	113
Environmental audits		0	23
Total		<u>29 819</u>	<u>29 214</u>
5.5 Inventory	5		
Learning and teaching support material		37	197
Food and food supplies		654	1 191
Fuel, oil and gas		2 262 851	1 970 599
Other consumable materials		249 453	241 524
Materials and supplies		509 519	510 959
Stationery and printing		313 745	330 644

DEPARTMENT OF POLICE
VOTE 25
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 5 continued...

Detail note 5 continued...	Note	2012/13	2011/12
		R'000	R'000
Medical supplies		1 959	3 415
Medicine		3 411	3 247
Military stores		66 506	61 520
Total		<u>3 408 135</u>	<u>3 123 296</u>
5.6 Property payments	5		
Municipal services		784 777	634 287
Property management fees		39 184	31 695
Cleaning services		14 277	124 291
Safeguarding and security		80 703	209 675
Other		14 757	13 912
Total		<u>933 698</u>	<u>1 013 860</u>
5.7 Travel and subsistence	5		
Local		626 838	579 095
Foreign		85 835	81 461
Total		<u>712 673</u>	<u>660 556</u>
5.8 Other operating expenditure	5		
Learnerships		4 117	5 415
Professional bodies, membership and subscription fees		5 528	3 226
Resettlement costs		38 470	48 360
Protective clothing and uniform		212 523	232 510
Towing cost		61 694	67 555
Informer fees		33 403	35 012
Printing and publications		7 049	7 897
Other		26 095	33 038
Total		<u>388 879</u>	<u>433 013</u>
6. Payments for financial assets			
Material losses through criminal conduct		446	31
Theft	6.4	0	1
Other material losses	6.1	446	30
Other material losses written off	6.2	159	48
Debts written off	6.3	5 060	6 560
Total		<u>5 665</u>	<u>6 639</u>
6.1 Other material losses			
Nature of other material losses	6		
Incident Disciplinary steps taken/criminal proceedings			
Lost cash: Advance		427	20
Lost cash: Police actions		3	10
Erroneous payments		16	0
Total		<u>446</u>	<u>30</u>

Detail note 6 continued...

	Note	2012/13 R'000	2011/12 R'000
6.2 Other material losses written off	6		
Nature of losses			
Lost cash: Advance		59	2
Erroneous payments		100	46
Total		<u>159</u>	<u>48</u>
6.3 Debts written off			
Nature of debts written off			
Salaries	6	4 421	6 419
State guarantees		23	96
Tax debt		13	20
Cash		599	0
Vehicle accidents		4	25
Total		<u>5 060</u>	<u>6 560</u>
6.4 Detail of theft	6		
Lost cash		0	1
Total		<u>0</u>	<u>1</u>
6.5 Recoverable revenue written off			
Salary related debt		(19 122)	(23 107)
Property related debt		(1 200)	(1 918)
Admin related debt		(92)	(228)
Total		<u>(20 414)</u>	<u>(25 253)</u>
7. Transfers and subsidies			
Provinces and municipalities	7.1	31 234	29 771
Departmental agencies and accounts	7.2	29 571	26 822
Non Profit Institutions	7.3	0	1 000
Households	7.4	505 015	447 873
Total		<u>565 820</u>	<u>505 466</u>
7.1 Provinces and municipalities	7		
Fines and penalties		90	253
Vehicle licences		31 144	29 518
Total		<u>31 234</u>	<u>29 771</u>
7.2 Departmental agencies and accounts	7		
Safety and Security Sector Education & Training Authority		29 571	26 822
Total		<u>29 571</u>	<u>26 822</u>

DEPARTMENT OF POLICE
VOTE 25
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 7 continued...

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
7.3 Non - Profit Institutions	7		
Donations and Gifts NPI		0	1 000
Total		<u>0</u>	<u>1 000</u>
7.4 Households	7		
Employer social benefit		267 376	278 281
Claims against the State (Households)		204 057	134 235
Payment as an act of grace		153	102
Medical expenses detainees		33 429	35 255
Total		<u>505 015</u>	<u>447 873</u>
8. Expenditure for capital assets			
Tangible assets			
Buildings and other fixed structures	29.1	691 632	671 119
Machinery and equipment	28.1	2 619 441	2 322 261
Biological assets	28.1	323	1 577
Total		<u>3 311 396</u>	<u>2 994 957</u>
8.1 Analysis of funds utilised to acquire capital assets - 2012/13			
		Voted Funds	Aid assistance
		R'000	R'000
Tangible assets		3 311 396	0
Buildings and other fixed structures		691 632	0
Machinery and equipment		2 619 441	0
Biological assets		323	0
Total		<u>3 311 396</u>	<u>0</u>
8.2 Analysis of funds utilised to acquire capital assets - 2011/12			
		Voted Funds	Aid assistance
		R'000	R'000
Tangible assets		2 994 843	114
Buildings and other fixed structures		671 119	0
Machinery and equipment		2 322 147	114
Biological assets		1 577	0
Total assets acquired		<u>2 994 843</u>	<u>114</u>
9. Cash and cash equivalents			
		2012/13	2011/12
		R'000	R'000
Consolidated Paymaster General Account		124 151	491 420
Cash on hand		12 007	11 484
Cash with commercial banks (Local)		(104)	4 950
Total		<u>136 054</u>	<u>507 854</u>

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
10. Prepayments and advances			
Staff advances		3 752	10 564
Travel and subsistence		20 962	37 982
Prepayments		3 140	761
Advances paid to other entities	10.1	1 684	10
Total		29 538	49 317

10.1 Advances paid			
National departments	Annex 8	1 674	0
Public entities	Annex 8	10	10
Total		1 684	10

		2012/2013			2011/12	
		Less than one year	One to three years	Older than three years	Total	
		R'000	R'000	R'000	R'000	
Claims recoverable	11.1	5 830	2 245	25 081	33 156	32 560
	ANNEXURE 2					
Staff debtors	11.2	88 094	21 478	15 949	125 521	94 968
Private enterprises	11.3	2	0	0	2	7
Other debtors	11.4	6 308	892	4 451	11 651	18 983
Total		100 234	24 615	45 481	170 330	146 518

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
11.1 Claims recoverable	11		
National departments		17 722	21 721
Provincial departments		14 940	9 606
Private enterprises		494	1 233
Total		33 156	32 560
11.2 Staff debtors	11		
Salary related debt		108 791	79 946
Administration related debt		5 444	5 348
Inventory/property related debt		11 286	9 674
Total		125 521	94 968
11.3 Private enterprises	11		
Dishonoured cheques		2	7
Total		2	7

DEPARTMENT OF POLICE
VOTE 25
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

<i>Detail note 11 continued...</i>	<i>Note</i>	2012/13 R'000	2011/12 R'000
11.4 Other debtors	11		
Administration related debt		11 651	18 983
Total		<u>11 651</u>	<u>18 983</u>
11.5 Debts revised			
Capital increase		13 971	5 801
Capital decrease		(75 875)	(25 860)
Interest correction		(87)	(78)
Total		<u>(61 991)</u>	<u>(20 137)</u>
12. Receivables - non-current			
Staff debtors		177 397	167 021
Claims recoverable	ANNEXURE 2	2	10
Total		<u>177 399</u>	<u>167 021</u>
13. Voted funds to be surrendered to the Revenue Fund			
Opening balance		617 416	40
Transfer from Statement of Financial Performance		232 096	617 416
Paid during the year		(617 416)	(40)
Closing balance		<u>232 096</u>	<u>617 416</u>
14. Departmental revenue to be surrendered to the Revenue fund			
Opening balance		3 490	6 094
Transfer from Statement of Financial Performance		342 023	288 760
Paid during the year		(338 669)	(291 364)
Closing balance		<u>6 844</u>	<u>3 490</u>
15. Payables – current			
Clearing accounts	15.1	4 055	14 503
Other payables	15.2	604	14
Total		<u>4 659</u>	<u>14 517</u>
15.1 Clearing accounts	15		
Description			
Amounts recovered to be cleared		4 055	14 503
Total		<u>4 055</u>	<u>14 503</u>
15.2 Other payables	15		
Description			
Salary deductions to be paid over to institutions		604	14
Total		<u>604</u>	<u>14</u>

DEPARTMENT OF POLICE
VOTE 25
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

	2012/13	2011/12
	R'000	R'000
16. Net cash flow available from operating activities		
Net surplus as per Statement of Financial Performance	572 418	916 219
Add back non cash/cash movements not deemed operating activities	2 326 492	2 680 456
(Increase) in receivables – current	(34 180)	(3 804)
(Increase) in prepayments and advances	19 779	(11 900)
Increase in payables – current	(9 858)	621
Proceeds from sale of capital assets	(2 750)	(5 089)
Surrenders to revenue fund	(956 085)	(291 404)
Surrenders to RDP Fund/Donor	(1 810)	(2 925)
Expenditure on capital assets	3 311 396	2 994 957
Net cash flow generated by operating activities	2 898 910	3 596 675
17. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General Account	124 151	491 420
Cash on hand	12 007	11 484
Cash with commercial banks	(104)	4 950
Total	136 054	507 854

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

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

		<i>Note</i>	2012/13	2011/12
			R'000	R'000
18. Contingent liabilities				
	Liable to			
	Nature			
	Housing loan guarantees	Employees	26 063	31 314
	Claims	Private parties	18 447 358	14 844 369
	Other departments (unconfirmed balances)		73 251	67 401
	Capped leave commitments	Employees	5 215 499	5 016 212
	Other: Sanlam Middestad	Lease	611 692	611 692
	Total		<u>24 373 863</u>	<u>20 570 988</u>

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.

		<i>Note</i>	2012/13	2011/12
			R'000	R'000
19. Commitments				
	Current expenditure			
	Approved and contracted		963 181	826 912
			<u>963 181</u>	<u>826 912</u>
	Capital expenditure			
	Approved and contracted		388 076	515 824
			<u>388 076</u>	<u>515 824</u>
	Total Commitments		<u>1 351 257</u>	<u>1 342 736</u>

20. Accruals					
Listed by economic classification		30 Days	30+ Days	Total	Total
	Goods and services	589 567	125 563	715 130	857 308
	Transfers and subsidies	25 384	22 544	47 928	27 843
	Capital assets	86 425	15 873	102 298	68 871
	Total	<u>701 376</u>	<u>163 980</u>	<u>865 356</u>	<u>954 022</u>

		<i>Note</i>	2012/13	2011/12
			R'000	R'000
	Listed by programme level			
	Administration		329 156	431 200
	Visible Policing		312 254	339 149
	Detective Services		193 425	151 766
	Crime Intelligence		13 872	18 348
	Protection and Security Services		16 527	12 643
	Donor funds		122	916
	Total		<u>865 356</u>	<u>954 022</u>
	Confirmed balances with other departments	ANNEXURE 3	52 023	25 634
	Total		<u>52 023</u>	<u>25 634</u>

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
21. Employee benefits			
Leave entitlement		2 089 789	1 668 009
Thirteenth cheque		24	1
Capped leave commitments		34 123	29 264
Other		98	1
Total		<u>2 124 034</u>	<u>1 697 275</u>

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.

22 Lease Commitments

22.1 Operating leases expenditure

	Land	Buildings & other fixed structures	Machinery and equipment	Total
2012/2013	R'000	R'000	R'000	R'000
Not later than 1 year	4 685	752 709	65 227	822 621
Later than 1 year and not later than 5 years	4 742	1 490 373	46 086	1 541 201
Later than five years	2 472	549 436	33	551 941
Total lease commitments	<u>11 899</u>	<u>2 792 518</u>	<u>111 346</u>	<u>2 915 763</u>

	Land	Buildings & other fixed structures	Machinery and equipment	Total
2011/2012	R'000	R'000	R'000	R'000
Not later than 1 year	3 969	605 439	47 489	656 897
Later than 1 year and not later than 5 years	5 949	1 342 560	37 692	1 386 201
Later than five years	2 812	751 649	0	754 461
Total lease commitments	<u>12 730</u>	<u>2 699 648</u>	<u>85 181</u>	<u>2 797 559</u>

22.2 Finance leases expenditure

	Land	Buildings & other fixed structures	Machinery and equipment	Total
2012/2013	R'000	R'000	R'000	R'000
Not later than 1 year	0	0	52 969	52 969
Later than 1 year and not later than 5 years	0	0	23 617	23 617
Total lease commitments	<u>0</u>	<u>0</u>	<u>76 586</u>	<u>76 586</u>

	Land	Buildings & other fixed structures	Machinery and equipment	Total
2011/2012	R'000	R'000	R'000	R'000
Not later than 1 year	0	0	35 835	35 835
Later than 1 year and not later than 5 years	0	0	11 422	11 422
Total lease commitments	<u>0</u>	<u>0</u>	<u>47 257</u>	<u>47 257</u>

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

	<i>Note</i>	2012/13	2011/12
		R'000	R'000
23. Receivables for departmental revenue			
Sales of goods and services other than capital assets		143	109
Fines, penalties and forfeits		7	190
Interest, dividends and rent on land		21	19
Financial transactions in assets and liabilities		727	679
Total		<u>898</u>	<u>997</u>

23.1 Analysis of receivables for departmental revenue			
Opening balance		997	1 847
Less: Amounts received		997	1 847
Add: Amounts recognised		898	997
Closing balance		<u>898</u>	<u>997</u>

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure			
Opening Balance		1 980	6 876
Add: Irregular expenditure - relating to prior year		2 565	3 095
Add: Irregular expenditure - relating to current year		984	1 183
Less: Amounts condoned		(3 682)	(9 174)
Irregular expenditure awaiting condonation		<u>1 847</u>	<u>1 980</u>

Analysis of awaiting condonation per age classification

Current year		0	839
Prior years		1 847	1 141
Total		<u>1 847</u>	<u>1 980</u>

24.2 Details of irregular expenditure - current year

Incident	Disciplinary steps taken/ criminal proceedings		2012/13 R'000
	Cases	Amount R'000	
Language Services	1	4	10
Printing & Publications	2	24	24
Transport	1	4	4
Labour Hiring	1	730	730
Training	3	590	649
Furniture	1	27	27
Accommodation & Meals	0	0	4
Repairs	7	423	425
Catering	7	34	34
Day to Day Maintenance	3	63	85
Cleaning Services	4	152	152

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 24 continued...

			2012/13
			R'000
Venues and Facilities	2	13	23
Funeral Costs	1	5	5
Towing Cost	15	390	404
Renovation (Buildings)	4	394	404
Leases	4	429	429
Courier & Delivery Services	1	121	121
Medical Expenses	1	19	19
Total	58	3 422	3 549

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2012/13
		R'000
Language Services	Accounting Officer/BAC	10
Leases	Accounting Officer/BAC	429
Transport	Accounting Officer/BAC	125
Furniture	Accounting Officer/BAC	28
Training	Accounting Officer/BAC	655
Funeral Costs	Accounting Officer/BAC	5
Accommodation & Meals	Accounting Officer/BAC	4
Repairs	Accounting Officer/BAC	425
Catering	Accounting Officer/BAC	34
Day to Day Maintenance	Accounting Officer/BAC	85
Cleaning Services	Accounting Officer/BAC	152
Printing and Publications	Accounting Officer/BAC	24
Venues and Facilities	Accounting Officer/BAC	23
Labour Hiring	Accounting Officer/BAC	730
Towing Cost	Accounting Officer/BAC	404
Social Functions	Accounting Officer/BAC	126
Renovation (Buildings)	Accounting Officer/BAC	404
Medical Expenses	Accounting Officer/BAC	19
Total		3 682

24.4 Details of irregular expenditure under investigation

Incident	2012/13
	R'000
Funeral Costs	959
Training	63
Security Services	203
Accommodation & Meals	14
Repairs	31
Catering	2
Language Services	5
Day to Day Maintenance	154
Cleaning Services	96

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 24 continued...

	2012/13
	R'000
Stationery	8
Communication	312
Total	1 847

One of the three contracts that could have led to irregular expenditure as identified during the previous reporting period by the Auditor-General of South Africa (AGSA) was not to be irregular. The outcome of the investigations with reference to the two outstanding contracts regarding the fire-arm registration system and the terrestrial radio communication contract system is still awaited.

25. Fruitless and wasteful expenditure

	2012/13	2011/12
	R'000	R'000
25.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	2 411	2 757
Adjustment to opening balance	(1 903)	(84)
Fruitless and wasteful expenditure – relating to prior year	76	356
Fruitless and wasteful expenditure – relating to current year	18	494
Less: Amounts resolved	(537)	(1 041)
Less: Amounts transferred to receivables for recovery	(65)	(71)
Fruitless and wasteful expenditure awaiting resolution	0	2 411

The reporting has been re-aligned according to the evaluation of validity of discovery of possible fruitless and wasteful expenditure or not, and an investigation to determine recoverability. Opening balance has to be adjusted accordingly.

25.2 Analysis of Current Year's Fruitless and wasteful expenditure

	Disciplinary steps taken/ criminal proceedings		2012/13
	Cases	Amount R'000	
License fees	2	2	10
Accommodation	0	0	28
Air/bus tickets	0	0	4
Training	0	0	3
Erroneous payments	1	49	49
Total	3	51	94

26. Key management personnel

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

	<i>No of Individuals</i>	2012/13	2011/12
Description		R'000	R'000
Political Office Bearers	2	3 658	3 468
Officials:			
Level 15 to 16 (including CFO)	40	47 406	48 010
Total		51 064	51 478

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

27. Impairment	<i>Note</i>	2012/13	2011/12
		R'000	R'000
Staff debtors		4 726	3 091
Other debtors		182	224
Total		4 908	3 315

28. **Movable Tangible Capital Assets**

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	13 723 957	846 083	2 329 675	899 123	16 000 592
Transport assets	9 464 219	166 025	1 427 229	671 040	10 386 433
Computer equipment	1 684 832	227 439	588 744	99 549	2 401 466
Furniture and Office equipment	139 596	(2 397)	34 203	3 136	168 266
Other machinery and equipment	2 435 310	455 016	279 499	125 398	3 044 427
BIOLOGICAL ASSETS	20 085	14 976	3 922	3 105	35 878
Biological assets	20 085	14 976	3 922	3 105	35 878
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	13 744 042	861 059	2 333 597	902 228	16 036 470

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

*Detail note 28 continued...***28.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSET PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Cash	Non-Cash	(Capital work in progress - current costs and finance lease payments)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2 619 441	77 385	(397 566)	30 415	2 329 675
Transport assets	1 422 896	12 220	0	(7 887)	1 427 229
Computer equipment	817 350	6 903	(275 117)	39 608	588 744
Furniture and Office equipment	31 187	1 459	0	1 557	34 203
Other machinery and equipment	348 008	56 803	(122 449)	(2 863)	279 499
BIOLOGICAL ASSETS	323	3 599	0	0	3 922
Biological assets	323	3 599	0	0	3 922
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2 619 764	80 984	(397 566)	30 415	2 333 597

28.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Sold (cash)	Transfer out or destroyed or scrapped	Total	Cash Received
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2 736	896 387	899 123	2 736
Transport assets	2 661	668 379	671 040	2 661
Computer equipment	0	99 549	99 549	0
Furniture and Office equipment	0	3 136	3 136	0
Other machinery and equipment	75	125 323	125 398	75
BIOLOGICAL ASSETS	14	3 091	3 105	14
Biological assets	14	3 091	3 105	14
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2 750	899 478	902 228	2 750

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 28 continued...

Minor Assets

MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2012

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor Assets	0	0	1 841 133	0	1 841 133
TOTAL	0	0	1 841 133	0	1 841 133

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	0	0	856 212	0	856 212
TOTAL	0	0	856 212	0	856 212

28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	0	0	0	899 122	3 105	902 227
Total movable assets written off	0	0	0	899 122	3 105	902 227

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	0	0	0	640 779	2 367	643 146
Total movable assets written off	0	0	0	640 779	2 367	643 146

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

29 **Immovable Tangible Capital Assets**

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	34 167	(4 784)	2 783	1 376	30 790
Dwellings	18 862	(5 315)	994	1 328	13 213
Non-residential buildings	15 305	531	1 789	48	17 577
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	34 167	(4 784)	2 783	1 376	30 790

29.1 **Additions**

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	691 632	799	(692 660)	3 012	2 783
Dwellings	93	85	0	816	994
Non-residential buildings	691 539	714	(692 660)	2 196	1 789
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	691 632	799	(692 660)	3 012	2 783

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 29 continued...

29.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	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	1 376	1 376	0
Dwellings	0	1 328	1 328	0
Non-residential buildings	0	48	48	0
TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS	0	1 376	1 376	0

29.3 Movement for 2011/12

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	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	19 695	3 908	11 179	615	34 167
Dwellings	7 005	2 746	9 573	462	18 862
Non-residential buildings	12 690	1 162	1 606	153	15 305
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	19 695	3 908	11 179	615	34 167

29.4 Immovable assets written off

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off	1 376	0	0	1 376
Total immovable assets written off	1 376	0	0	1 376

DEPARTMENT OF POLICE
VOTE 25
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Detail note 29 continued...

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2012

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Total
	R'000	R'000	R'000	R'000
Assets written off	615	0	0	615
Total movable assets written off	615	0	0	615

DEPARTMENT OF POLICE
VOTE 25
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

ANNEXURE 1

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT
31 MARCH 2013 - LOCAL

Guarantee in respect of and Guarantor institution	Original Guaranteed capital amount	Opening balance 1/4/2012	Current year adjustments to prior year closing balances	Guarantee draw downs during the year	Guarantee Repayments/ cancelled/ Released/ Reduced during the year	Closing balance 31/03/2013	Realised losses not recoverable i.r.o. claims paid out
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing							
STANDARD BANK		776	0	224	466	534	0
NEDBANK PTY LTD		1 348	0	0	176	1 172	0
FIRSTRAND BANK: FNB		24 497	0	0	4 166	20 331	0
ABSA		2 345	0	107	522	1 930	0
HLANO FIN SERVICES		65	0	0	16	49	0
ITHALA LIMITED		932	0	0	0	932	0
FREESTATE DEVEL CORP		951	0	0	133	818	0
MPUMALANGA		72	0	0	0	72	0
NP DEVELOP. CORP. LTD		223	0	0	103	120	0
GREEN START H/LOAN		89	0	0	0	89	0
INDLU FIN PTY LTD		16	0	0	0	16	0
Total		31 314	0	331	5 582	26 063	0

ANNEXURE 2

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Departments						
THE PRESIDENCY	0	0	31	3	31	3
DEPARTMENT OF DEFENCE	0	0	121	115	121	115
DEPARTMENT OF AGRICULTURE	0	0	346	513	346	513
DEPARTMENT OF ARTS AND CULTURE	0	0	199	89	199	89
DEPARTMENT OF COMMUNICATIONS	0	0	114	12	114	12
DEPARTMENT OF CORRECTIONAL SERVICES	0	0	226	263	226	263
DEPARTMENT OF ECONOMIC DEVELOPMENT	0	0	0	87	0	87
DEPARTMENT OF EDUCATION	0	0	49	939	49	939
DEPARTMENT OF ENVIRONMENTAL AFFAIRS AND TOURISM	0	0	38	540	38	540
DEPARTMENT OF FOREIGN AFFAIRS	0	0	11 367	9 634	11 367	9 634
DEPARTMENT OF HEALTH	0	0	410	4 393	410	4 393
DEPARTMENT OF HOME AFFAIRS	0	0	139	112	139	112
DEPARTMENT OF HOUSING	0	0	43	62	43	62
DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEV	0	0	520	273	520	273
DEPARTMENT OF LABOUR	0	0	89	127	89	127
DEPARTMENT OF LAND AFFAIRS	0	0	52	66	52	66
DEPARTMENT OF PUBLIC ENTERPRISES	0	0	9	37	9	37
DEPARTMENT OF PUBLIC WORKS	0	0	1 534	1 992	1 534	1 992
DEPARTMENT OF SOCIAL DEVELOPMENT	0	0	27	254	27	254
DEPARTMENT OF TRADE AND INDUSTRY	0	0	38	287	38	287
DEPARTMENT OF TRADITIONAL AND LOCAL GOV AFFAIRS	0	0	0	73	0	73
DEPARTMENT OF TRANSPORT	0	0	322	412	322	412
DEPARTMENT OF WATER AFFAIRS AND FORESTRY	0	0	302	139	302	139
DEPARTMENT OF MINERALS AND ENERGY	0	0	173	409	173	409
DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION	0	0	21	62	21	62
DEPARTMENT OF SCIENCE AND TECHNOLOGY	0	0	9	29	9	29
DEPARTMENT OF SPORT AND RECREATION	0	0	40	10	40	10
DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT	0	0	13	13	13	13
DEPARTMENT OF STATISTICS	0	0	25	1	25	1
INDEPENDENT COMPLAINTS DIRECTORATE	0	0	227	25	227	25

DEPARTMENT OF POLICE
VOTE 25
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

Annexure 2 continued...

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL ASSEMBLY: PARLIAMENT	0	0	465	441	465	441
NATIONAL INTELLIGENCE AGENCY	0	0	342	483	342	483
NATIONAL PROSECUTING AUTHORITY	0	0	104	124	104	124
NATIONAL TREASURY	0	0	27	65	27	65
NATIONAL COMMUNICATION CENTRE	0	0	130	130	130	130
SOUTH AFRICAN REVENUE SERVICE	0	0	36	0	36	0
DEPARTMENT OF FINANCE	0	0	85	0	85	0
OFFICE OF THE PUBLIC SERVICE COMMISSIONER	0	0	15	0	15	0
GOVERNMENT PRINTING WORKS	0	0	36	0	36	0
SUB TOTAL	0	0	17 724	22 214	17 724	22 214
Provinces						
OFFICES OF THE PREMIERS	0	0	259	151	259	151
MEC SAFETY AND SECURITY	0	0	220	158	220	158
KWAZULU NATAL: PROVINCIAL GOVERNMENT	0	0	928	525	928	525
FREE STATE PROV: PROVINCIAL GOVERNMENT	0	0	180	26	180	26
WESTERN CAPE PROV: PROVINCIAL GOVERNMENT	0	0	1 511	519	1 511	519
LIMPOPO PROV: PROVINCIAL GOVERNMENT	0	0	582	284	582	284
EASTERN CAPE PROV: PROVINCIAL GOVERNMENT	0	0	9 150	6 913	9 150	6 913
GAUTENG PROV: PROVINCIAL GOVERNMENT	0	0	963	452	963	452
NORTH WEST PROV: PROVINCIAL GOVERNMENT	0	0	476	469	476	469
MPUMALANGA: PROVINCIAL GOVERNMENT	0	0	167	3	167	3
NORTHERN CAPE: PROVINCIAL GOVERNMENT	0	0	504	106	504	106
SUB TOTAL	0	0	14 940	9 606	14 940	9 606

Other Entities	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
ICF AFRICA	0	0	6	6	6	6
INSTITUTION FOR SECURITY STUDIES	0	0	0	12	0	12
SA SOCIAL SECURITY AGENCY	0	0	317	252	317	252
SCHINDLER LIFTS	0	0	7	7	7	7
AIRPORTS COMPANY SOUTH AFRICA	0	0	3	3	3	3
VENTURESCAPES	0	0	92	80	92	80
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

Annexure 2 continued...

Other Entities	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
URBAN TONIC	0	0	0	4	0	4
EVENTS MANAGEMENT SOLUTIONS	0	0	2	2	2	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	21	21	21
SIYA ZAMA GVK BUILDING RENOVATION	0	0	0	317	0	317
SALSA CATERING	0	0	2	2	2	2
SUB TOTAL	0	0	494	750	494	750
TOTAL	0	0	33 158	32 570	33 158	32 570

DEPARTMENT OF POLICE
VOTE 25
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

ANNEXURE 3**INTER- GOVERNMENTAL PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	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	5 844	5 663	37 010	20 012	42 854	25 675
DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEV	46 177	19 969	36 223	47 389	82 400	67 358
DEPARTMENT OF MINERALS AND ENERGY	2	2	0	0	2	2
TOTAL	52 023	25 634	73 233	67 401	125 256	93 035
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	18	0
GRAND TOTAL	52 023	25 634	73 251	67 401	125 274	93 035

ANNEXURE 4

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2013

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						
Home Affairs		0	655	0	0	655
CARA Funds		6 710	0	0	5 891	819
Subtotal		6 710	655	0	5 891	1 474
Foreign						
African Renaissance	DRC Projects	1 259	0	0	1 259	0
Enhlangano Project France	Training support	229	0	0	0	229
Norway (Sudan)	Training support	1 810	9 031	1 810	4 237	4 794
Subtotal		3 298	9 031	1 810	5 496	5 023
Total		10 008	9 686	1 810	11 387	6 497

DEPARTMENT OF POLICE
VOTE 25
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

ANNEXURE 5**STATEMENT OF CONTINGENT LIABILITIES AS AT
31 MARCH 2013**

Nature of Liability	Opening Balance 01/04/2012	Current year adjustments to prior year balances	Liabilities incurred during the year	Claims settled during the year			Closing Balance 31/03/2013
				Original claim Amounts	Amounts Paid	Amounts Cancelled/ Reduced	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Claims against the department							
Vehicle accidents	181 968	2 394	23 889	44 110	17 874	26 236	164 141
Legal expenses	483 867	8 750	66 801	195 940	2 358	193 582	363 478
Damage to property	2 777	10	101	312	80	232	2 576
Assault	841 512	(81 776)	104 653	63 076	14 756	48 320	801 313
Damage to State property	8 233	0	426	423	59	364	8 236
Police actions	11 904 897	(262 502)	3 786 007	2 427 418	128 017	2 299 401	13 000 984
Shooting incidents	1 099 400	(1 321)	184 110	123 026	23 988	99 038	1 159 163
Other (Not yet classified)	321 715	(17 602)	2 810 550	167 196	0	167 196	2 947 467
Total	14 844 369	(352 047)	6 976 537	3 021 501	187 132	2 834 369	18 447 358

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.

Other							
Sanlam building lease not yet activated due to court case	611 692						611 692
Subtotal	611 692						611 692
TOTAL	15 456 061						19 059 050

**STATEMENT OF THE RECOVERABILITY OF ACCUMULATED
PAYMENTS MADE AS AT 31 MARCH 2013**

Nature of recoverability	Opening Balance 01/04/2012	Current year adjustments to prior year balances	Movement during the year			Closing Balance 31/03/2013
			Detail of finalized transactions	Amount finalized	New transactions Amount	
	R'000	R'000		R'000	R'000	R'000
Vehicle accidents, Legal expenses, Damage to property, Assault Damage to State property	120 969	1 185	Written off (TR 11.4 & 12)	1 734	209 926	146 757
			State funds	23 109		
			Claim by the Department	2 189		
			Exemption as an Act of Grace (TR 22.1)	28		
Police actions, Shooting incidents			Waiver of claims (TR 12.7.3)	158 203		
Other (not yet allocated)			Cash payment	60		
Total	120 969	1 185		185 323	209 926	146 757

ANNEXURE 6

INVENTORY

Note	Quantity	2012/13	Quantity	2011/12
		R'000		R'000
Inventory				
Opening balance	46 784 936	600 015	55 277 548	586 725
Add/(Less): Adjustments to prior year balances	0	0	212 962	903
Add: Additions/Purchases - Cash	26 770 419	393 124	21 767 308	393 688
Add: Additions - Non-cash	29 527	5 408	16 472	799
(Less): Disposals	(48 528)	(3 269)	(862 012)	(10 752)
(Less): Issues	(18 705 454)	(319 388)	(30 431 912)	(391 579)
Add/(Less): Adjustments	210 455	32 840	804 570	20 231
Closing balance	55 041 355	708 730	46 784 936	600 015

DEPARTMENT OF POLICE
VOTE 25
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

ANNEXURE 7**MOVEMENT IN CAPITAL WORK-IN-PROGRESS**

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	3 154 055	692 675	712 979	3 133 751
Dwellings	0	0	0	0
Non-residential buildings	3 154 055	692 675	712 979	3 133 751
Other fixed structures	0	0	0	0
TOTAL	3 154 055	692 675	712 979	3 133 751

DEPARTMENT OF POLICE
VOTE 25
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013

ANNEXURE 8

INTER-ENTITY ADVANCES PAID (NOTE 10.1)

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department International Relation and Cooperation	651	0	0	0	651	0
Government Communication and Information System	1 023	0	0	0	1 023	0
Subtotal	1 674	0	0	0	1 674	0
PUBLIC ENTITIES						
SA POST OFFICE	10	10	0	0	10	10
Subtotal	10	10	0	0	10	10
TOTAL	1 684	10	0	0	1 684	10