



Expenditure Analysis

Expenditure per economic classification – April to August 2006

Table 6

Safety and Security - 2006/07 Economic classification	Adjusted appropriation R'000	Actual expenditure up to Aug 2006 R'000	Available funds R'000	Funds shifted to other depts R'000	Percentage spending %
Current payments	30,562,504	11,663,384	18,899,120		38.2%
Compensation of employees	23,569,040	8,981,873	14,587,167		38.1%
Goods and services	6,993,464	2,681,050	4,312,414	-36,500	38.3%
Financial transactions in assets and liabilities	0	461	0		
Transfers and subsidies to:	375,728	127,772	247,956		34.0%
Provinces and local	30,032	20,250	9,782		67.4%
Departmental agencies and accounts	14,464	6,964	7,500		48.1%
Households	331,232	100,558	230,674		30.4%
Payments for capital assets	1,582,999	288,041	1,294,958		18.2%
Buildings and other fixed structures	498,185	86,218	409,967		17.7%
Machinery and equipment	1,084,814	199,612	885,202		18.4%
Cultivated assets		211			
Total	32,521,231	12,879,197	20,442,034	36,500	37.1%

- Lowest spending items were building & other fixed structures and machinery & equip at 17,7% and 18,4% respectively
- Low spending is influenced by non delivery of municipal services invoices by DPW
- Highest spending item was transfers to prov & local govt at 67,4%

21



Emphasis of the matter on the 2005/06 annual report

1. Lack of monitoring – administrative environment
 - 1.1 Supply Chain Management Policy

- Old State Tender Board policies are still being used
- New delegations of authorities to provinces not yet finalised
- Prescripts not fully implemented in provinces – suppliers performance not evaluated against contractual obligation

Comments:

- 2004/05 report stated that Supply Chain Management was not fully developed and implemented however, SAPS is enhancing the asset register including with emphasis on serialised assets
- The Committee should follow up the use of old State Tender Board policies

22



Emphasis of the matter on the 2005/06 annual report



1. Lack of monitoring – administrative environment
- 1.2 Inventory stores at national and provincial level

- Stock differences of R27m were noted between actual stock and Provisioning Accounting System (PAS)
- Excess inventories of R114,5m were reflected on PAS as needs analysis were not based accurate estimates
- Stock disposal awaiting authorisation on PAS at year end was R170m

Comments:

- AO stated that redundancy has been reduced by 17% however, corrective measures should be enhanced

23



Emphasis of the matter on the 2005/06 annual report



1. Lack of monitoring – administrative environment
- 1.3 Control of room inventory at provincial and commissioners including police station

- Room inventories were not properly maintained in 8 provinces
- This was highlighted in the 2003/04 and 2004/05 annual reports

Comments:

- Since this consistently appeared in the AG's report for 3 years, corrective measures should be emphasized

24



Emphasis of the matter on the 2005/06 annual report



2. Lack of monitoring – operational environment
2.1 Vehicle fleet management

- Inadequate monitoring & control of vehicles after hours resulted in non response to emergencies
- This was highlighted in the 2003/04 and 2004/05 annual reports

Comments:

- Progress has been noted in addressing this
- Funds have been requested for the introduction of a new vehicle monitoring system

25



Emphasis of the matter on the 2005/06 annual report



2. Lack of monitoring – operational environment
2.2 Firearm control

- Registers were not properly maintained and weapons inspections were not performed at least twice a year
- 2 297 firearms were lost, stolen or robbed from personnel
- In 2003/04 935 firearms were lost, stolen or robbed from personnel
- In 2004/05 it was 735

Comments:

- Urgent corrective measures are required since the 2005/06 figure has tripled compared to 2004/05

26



Emphasis of the matter on the 2005/06 annual report



3. Performance Audit 3.1 Forensic Science Laboratory

3.1.1 Case Administration System

- Status of cases was not updated accurately and timeously to reflect finalized or withdrawn cases, thus increased the risk of duplication
- 2003/04 and 2004/05 AG comments: dockets were assigned to members who have left, status of dockets per investigator was not reviewed, and lack of trained staff controls to safeguard docket-related info system

Comments:

- Corrective measures are required as this appeared in 3 consecutive reports

27



Emphasis of the matter on the 2005/06 annual report



3. Performance Audit 3.1 Forensic Science Laboratory

3.1.2 Information System Management

- SITA was ± 16 months behind schedule in developing a system for evaluating DNA evidence
- Implementation of the LIMS which was earmarked for August 2004 has not been done

Comments:

- There has been comments from the media about this issue, therefore attention should be paid

28



Emphasis of the matter on the 2005/06 annual report



- 3. Performance Audit
- 3.2 Utilisation of resources at provinces

3.2.1 Maintenance of buildings

- Backlogs in maintenance of buildings due to lack of execution by the DPW

Comments:

- Funds were devolved to the SAPS which is now responsible for this function however, slow spending has been noted so far

29



Emphasis of the matter on the 2005/06 annual report



- 3. Performance Audit
- 3.2 Utilisation of resources at provinces

3.2.2 Dockets and the Case Administration System

- Lack of trained staff and properly constituted management information system
- Resulted in inefficient management and control of progress of investigations
- 2004/05 comments: similar comment as 2005/06 report and the fact that there was an 18% vacancy rate nationally and dockets were not reviewed

Comments:

- Corrective measures should be emphasised in this regard

30



Emphasis of the matter on the 2005/06 annual report



4. Investigation at Building Services Division

- Inadequate maintenance of supplier list or database
- Lack of quotations from potential suppliers
- Lack of period contracts where materials were acquired on a continuous basis
- Formal tender processes not followed in various cases
- Inadequate controls over recording and maintenance of stock at the building store

Comments:

- These issues should be addressed as they impact on expenditure for capital works and the responsibility is added as SAPS is now responsible for planned maintenance

31



Emphasis of the matter on the 2005/06 annual report



5. Information System Audit

- Documented and approved disaster recovery plan was inadequate, not including network recovery plan
- Comprehensive recovery tests were not performed
- PAS controllers were able to perform functions of ordinary users, resulting in inadequate segregation of duties
- 2004/05 comments: network security measures were in place and adequate but insufficient resources such as manpower & management software

Comments:

- Attention should be paid to the management of information system

32



Conclusion



- Although the audit opinion is unqualified, it is important for the SAPS to address the issues raised as emphasis of the matter, including those that have been raised in previous reports
- Discrepancies that were noted on the programme performance in the annual report should be addressed and corrected by the department
 - Treasury will have discussions with the department to address some of the performance measures and targets which could be amended

