

The SAPS' total expenditure at the end of March 2006 was 100 per cent. The lowest spending programme was Visible Policing at 96 per cent. An amount of R533m was shifted from Visible Policing to other programmes. This is a similar trend compared to 2004/05. The department indicated that these funds were shifted to mainly enhance capital spending, which includes construction and purchase of new facilities, upgrading of information technology network and mainframe systems, purchase of vehicles, enhancement of the Automated Fingerprint Identification System (AFIS) technology and other projects within other programmes.

**Table 4**

Safety and Security - 2005/06	Adjusted appropriation	Actual expenditure	Available funds	Percentage spending
Economic classification	R'000	R'000	R'000	%
<b>Current payments</b>	<b>26,627,544</b>	<b>26,094,693</b>	<b>532,851</b>	<b>98.0%</b>
Compensation of employees	21,454,416	20,271,414	1,183,002	94.5%
Goods and services	5,173,128	5,817,826	-644,698	112.5%
Financial transactions in assets and liabilities		5,453		
<b>Transfers and subsidies to:</b>	<b>428,006</b>	<b>348,052</b>	<b>79,954</b>	<b>81.3%</b>
Provinces and local	74,538	71,183	3,355	95.5%
Departmental agencies and accounts	12,853	13,115	-262	102.0%
Households	340,615	263,754	76,861	77.4%
<b>Payments for capital assets</b>	<b>1,424,954</b>	<b>2,037,758</b>	<b>-612,804</b>	<b>143.0%</b>
Buildings and other fixed structures	446,569	488,113	-41,544	109.3%
Machinery and equipment	978,385	1,549,555	-571,170	158.4%
Cultivated assets		90		
<b>Total</b>	<b>28,480,504</b>	<b>28,480,503</b>	<b>1</b>	<b>100.0%</b>

Overall expenditure on economic classification was 100 per cent. The lowest spending item was transfers to households (at 77,4 per cent). This item was continuously identified as the lowest spending item throughout the year and the SAPS was requested to monitor it. The SAPS indicated that low spending on this item in the first 6 months of the financial year was as a result of the saving in medical costs for detainees and this appears to have continued up to the end of 2005/06. Other items which have underspent are compensation of employees (at 94,5 per cent) and transfers to provinces and local government (at 95,5 per cent). Compensation of employees also under spent in the last financial year

Similar to 2004/05 machinery and equipment is the highest spending item at 158,4 per cent. The second highest spending item is goods and services at 112,5 per cent. Budgeted expenditure on buildings and other fixed structures was exceeded by R41,5m (9,3 per cent). The department indicated that spending on machinery and equipment started increasing in the last quarter of 2005/06 as a result of late delivery of purchased vehicles.

#### 4.3 Expenditure trends for 2006/07 – April to August 2006

Table 5

Safety and Security - 2006/07 Programmes	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 %
1. Administration	10,522,060	3,921,267	6,600,793		37.3%
2. Visible Policing	14,426,449	5,211,989	9,214,460	-36,500	36.1%
3. Detective Services	5,279,606	2,047,757	3,231,849		38.8%
4. Crime Intelligence	1,119,440	457,611	661,829		40.9%
5. Protection and Security Services	1,210,176	440,573	769,603		36.4%
<b>Total</b>	<b>32,557,731</b>	<b>12,079,197</b>	<b>20,478,534</b>	<b>-36,500</b>	<b>37.1%</b>

Total expenditure at the end of August 2006 was 37,1 per cent. Again Visible Policing is the lowest spending item at 36,1 per cent. An amount of R36,5m was shifted from Visible Policing to the Department of Health for upgrading and maintenance of mortuaries as the function has been transferred to the Department of Health from 1 April 2006. It is a concern that funds for planned maintenance were shifted from Visible Policing programme whereas the budget for this item is under Administration programme. In addition, the department continues to shift funds from Visible Policing to other programmes even though this programme constitutes the largest percentage (44,3%) of the total allocated budget and is considered to be key for services of the SAPS. In 2004/05 R801m was shifted from Visible Policing to other programmes, R298m in the first six months of 2005/06 and R533m was shifted in the last quarter of 2005/06. The trend for shifting funds from programme two will be closely monitored.

Overall spending is in line with projections and it is expected that the Department will not exceed its total budget at the end of the financial year.

**Table 6**

Safety and Security - 2006/07	Adjusted appropriation	Actual expenditure up to Aug 2006	Available funds	Funds shifted to other depts	Percentage spending
Economic classification	R'000	R'000	R'000	R'000	%
<b>Current payments</b>	<b>30,562,504</b>	<b>11,663,384</b>	<b>18,899,120</b>		<b>38.2%</b>
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		
<b>Transfers and subsidies to:</b>	<b>375,728</b>	<b>127,772</b>	<b>247,956</b>		<b>34.0%</b>
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%
<b>Payments for capital assets</b>	<b>1,582,999</b>	<b>288,041</b>	<b>1,294,958</b>		<b>18.2%</b>
Buildings and other fixed structures	498,185	88,218	409,967		17.7%
Machinery and equipment	1,084,814	199,612	885,202		18.4%
Cultivated assets		211			
<b>Total</b>	<b>32,521,231</b>	<b>12,079,197</b>	<b>20,442,034</b>	<b>-36,500</b>	<b>37.1%</b>

Overall expenditure on economic classification in the first five months of the financial year was 37,1 per cent. The lowest spending items are buildings and other fixed structures and, machinery and equipment under payment for capital assets (at 17,7 and 18,4 per cent). Compared to the first six months of 2005/06 expenditure for payment of capital assets was the highest (at 62,7 per cent). The Department has indicated that invoices for municipal services from the Department of Public Works were not received contributing to the slow expenditure on capital assets. The department has indicated that expenditure for capital assets usually increased towards the end of the financial year due to late delivery of purchased assets. The highest spending item is transfers to provinces and local government at 67,4 per cent at the end of August 2006.

## **5. Emphasis of the matter and comments- 2005/06**

### **5.1 Lack of monitoring in the following (administrative environment);**

#### **a) Supply Chain Management policy**

- Old state Tender Board policies are still being used
- The new delegations of authority to the provinces have not been finalised

- The prescripts have not been fully implemented at a provincial level resulting in suppliers' performances not being regularly evaluated against their contractual obligations.

**Comments:**

- *In the 2004/05, AG commented that Supply Chain Management was not fully developed and implemented, however SAPS has embarked on an asset management strategy involving the enhancement of the asset register and implementation of several initiatives with emphasis on serialised assets.*
- *Follow up should be made on the use of old state tender board policies.*

**b) Inventory stores at national and provincial level**

- Stock differences of R27,1m were noted between the actual stock and the Provisioning Accounting System (PAS) from tests counts performed at 18 inventory stores countrywide (R60,8m and R96,9m from audit tests counts performed at 15 inventory stores)
- Excess inventories of R114,5m were reflected on PAS (R193,3m in 04/05) as the needs analysis performed was not based on accurate estimates for both financial years
- Stock Disposals awaiting authorization on PAS at year end was R170,1m (redundant and obsolete stock was R112,9m in 04/05)

**Comments:**

- *According to the Accounting Officer, redundancy has been reduced by 17% however this is a concern and corrective measures should be enhanced*

**c) Control of room inventory at provincial and area commissioners including police stations**

- Room inventories not properly maintained in 8 provinces – handing over certificates not completed when a change of command occurred and lack of segregation of duties over the custody and recording assets at a police station level not timeously reported

**Comments** – *This is the same comment as in the 2003/04 and 2004/05 annual reports*

## **5.2 Lack of monitoring in the following (operational environment);**

- a) **Vehicle fleet management** – inadequate monitoring and control over the use of vehicles after working hours resulting to non availability to respond to emergencies.

### **Comments:**

- *The 2004/05 comments were – ineffective monitoring and non-enforcement of departmental policies and procedures at station level increasing the risk of slow response , lack of reconciliation and monitoring of repairs and maintenance of vehicles.*
- *2003/04 - Lack of management system, deficiencies in the procurement process resulting in delivery delays, non optimal use of vehicles resulting in fuel card fraud, higher maintenance costs and fuel costs, inadequate measurable norms and standards governing turnaround times for vehicles undergoing repairs*
- *According to AO this is in progress*
- *Funds have been requested for the introduction of a new vehicle monitoring system*

- b) **Firearm control** - registers not properly maintained and weapons inspections were not performed at least twice a year. Two thousand two hundred and ninety seven (2 297) were either lost , stolen or robbed from personnel (935 2003/04 and 735 in 2004/05 and the department was in the process of providing personnel with gun safes to minimize these risks

### **Comments:**

- *The number of firearms lost, stolen or robbed tripled last year's amount although the Accounting Officer mentioned that substantial progress has been made.*

### 5.3 Performance Audit

#### a) Forensic Science laboratory

- **Case Administration System** - due to inadequate monitoring, the status of cases on the CAS was not updated accurately and timeously to reflect finalised or withdrawn cases, thereby increasing the risk of duplication

#### Comments:

- *2004/05 comment; dockets assigned to members who have left, status of dockets per investigator not reviewed (status of 18407 dockets unchanged for more than 5 months) and lack of trained staff and controls to safeguard docket-related info system.*
- *There was a similar comment for 2003/04*
- **Information systems management** – SITA was approximately 16 months behind schedule in developing a new system to be used for evaluating forensic Deoxyribo Nucleic Acid (DNA) evidence and the implementation of Laboratory Information Management System earmarked for August 2004 has not been implemented as the feasibility of the project is being reviewed by SAPS and SITA

**Comments** – *There were media comments on this issue*

#### b) Utilisation of resources at Provinces

- **Maintenance of buildings** – lack of execution of planned maintenance by DPW resulting in backlogs, numerous SAPS buildings were in a state of neglect and despair

**Comment** – *This is now SAPS' responsibility as funds were devolved from DPW however, expenditure on capital assets is slow so far.*

- **Dockets and the Case Administration System** – lack of trained staff and a properly constituted management information system resulted in inefficient management and control over the progress of

investigation s and appropriate allocation to investigation officers at provincial and area

**Comments** - 2004/05 comments are - 18 % vacancy rate nationally, dockets not reviewed and lack of trained staff and controls to safeguard docket-related info system

#### 5.4 Investigation at Building Services Division

- In adequate maintenance of a supplier list or data base
- Lack of quotations from potential suppliers
- Lack of period contracts where materials were acquired in a continuous basis
- The formal tender process was not followed in various cases and
- Inadequate controls over the recording and maintenance of stock at the Building Store

**Comments** - These issues have an impact on expenditure for capital assets and thus need to be followed up

#### 5.5 Info System Audit

- The documented and approved disaster recovery plan was inadequate as it does not include a network recovery plan. A comprehensive disaster recovery tests had not been performed
- PAS controllers were able to perform the functions of ordinary users resulting in adequate segregation of duties

**Comments** - 2004/05 comments are - network security measures in place and adequate but insufficient resources i.e. manpower and management software

**SCOPA RESOLUTIONS (SAPS) - March 2006**

SUBJECT/REF NO.	PROGRESS	ACTION
Administration of leave	Substantial progress	
Firearms and ammunition	Substantial progress	<i>The number has tripled</i>
Loss control management	Substantial progress	
Administration of stock	In progress, redundancy has been reduced by 17%	<i>Total value has increased by R572m</i>
Vehicle Management	In progress	
Management of fixed (official housing and messes)	In progress	