

2019

ANNUAL REPORT



POISED TO STRIKE
against corruption

INTEGRITY
CO-OPERATION
TEAMWORK
PROFESSIONALISM
EFFICIENCY
INDEPENDENCE
DRIVE AND PASSION

2016

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The background is a collage of business-related images. The top section shows a person's arm in a suit with faint icons of a laptop, a bar chart, and a line graph. The bottom section shows two people in business attire looking at a laptop screen, with a hand pointing at the display. Overlaid on these images are semi-transparent geometric shapes and data visualizations, including three circular progress indicators in the top right corner showing 25%, 50%, and 75% completion, and a line graph with data points in the bottom right.

INTEGRITY

MAINTAINING AND ENSURING PROPER
CONDUCT AMONG MEMBERS OF THE SIU

FROM OUR BEGINNINGS ... INTO THE FUTURE



POISED TO STRIKE
against corruption

The logo of the Special Investigating Unit is a cobra, this symbolizes a creature that can strike fast and powerfully. This creature also contains deadly poison in its arsenal. As such, the unit positions itself to strike against corruption, malpractice and maladministration as illustrated by our branding.

The cobra depicted in our logo has a raised posture and is alert, as we head into the future, we poise ourselves again to strike faster and more effectively, so that the impact of our work is felt by the people of South Africa.



INVESTIGATE

SEARCHING PROCESS 100%



- » INTEGRITY
- » CO-OPERATION
- » PROFESSIONALISM
- » DRIVE AND PASSION
- » EFFECTIVENESS
- » INDEPENDENCE



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2016/17

FOREWORD BY MINISTER OF JUSTICE AND CORRECTIONAL SERVICES



TM MASUTHA, MP (ADV)

Minister of Justice and Correctional Services



The 2016/17 financial year in which we are reporting the performance of the Special Investigating Unit (SIU) coincides with the 20 years celebration of the adoption of the South African Constitution. As such, it is crucial for the Department of Justice and Constitutional Development (DOJ&CD) to reflect on the strides made in the justice system over the past 20 years.

It is also important to acknowledge the struggle and selfless sacrifice made by the heroes and heroines who brought about the political settlement that resulted in a smooth transition of the constitutional democracy we achieved in 1994.

The opening of the Limpopo High Court on 29 November 2016, indicated the commitment by government to strengthen and promote equal access to our justice systems.

With the SIU having an office in this province, the court will be instrumental in fast tracking the civil litigation cases involving corruption, malpractice or maladministration, which fall within its jurisdiction.

Similarly, with the Mpumalanga High Court coming into operation, justice for our people in that province will become more accessible and will also ensure that investigations by the SIU office in the province are referred directly to this court, resulting in extension of its national footprint and improved turnaround times.

Over the financial year under review, we have also witnessed strengthened collaboration between the National Prosecuting Authority (NPA) and the SIU. To formalize this collaboration, a Memorandum of Understanding (MOU) between the SIU and the NPA is in the process of being finalised, which will see intensified co-operation in relation to matters referred to the NPA by the SIU, as well as matters that need to be handed over to the Asset Forfeiture Unit (AFU).

The unit has also entered into an MOU, between the Department of Justice and the Presidency. This MOU will ensure that the process of referring, signing and publishing of proclamations is better synchronised. In relation to other stakeholders, the SIU continues to also play an active role in structures such as the Anti-Corruption Task Team (ACTT) headed by the Hawks and the

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Justice, Crime Prevention and Security Cluster (JCPS) and has been involved with the launch of the national anti-corruption strategy document which will culminate in a national strategy aimed at combatting corruption.

On an international platform, the SIU is active in the Commonwealth Africa Anti-Corruption Centre (CAACC) where it represents South Africa. This relationship has resulted in skills development initiatives to share best practices in relation to cyber forensic investigations. The SIU has also participated in the Southern African Development Community (SADC) Heads of Anti-Corruption meetings and has also been part of the 5th session of the working group on international cooperation hosted by the United Nations Office on Drugs and crime (UNODC) held in November 2016.

In relation to the key milestones and achievements for the financial year under review, the following are worth highlighting: the issuing of 13 proclamations signed by the Presidency, as well as the submission of 6 final reports to the Office of the President. In relation to actual money and assets recovered, the SIU has been able to retrieve R43.5 million, whilst the potential value of money that may be recovered for the State stands at R126 million.

In relation to Operations, the SIU prides itself in maintaining effective and efficient financial processes, systems, internal controls and policies to manage resources and risks. This resulted in the unit attaining an impressive outcome of a clean audit.

In the coming financial year, various projects to transform

the SIU will be embarked upon. Our utmost priority is to put to effect the process of reviewing the SIU's organisational structure to ensure proper alignment of the skills required to make a positive impact to eradicate corruption, malpractice and maladministration. To ensure that the SIU becomes the State's preferred service provider in forensic investigations, the executive is in the process of amending the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996). Aligned to the amendment, is the revision of the funding model, as well as the re-establishment of the Special Tribunal, further ensuring speedier access to justice.

Succeeding in the fight against corruption is accredited to the great SIU staff under the leadership of Adv. Andy Mothibi and the SIU management. Their efforts of combatting corruption is acknowledged as it strives to transform the country into a corruption free society. This however will not be fully realised without the active participants of the citizenry and general public whose role through discerning and reporting suspicious or corrupt activities is critical towards uprooting the scourge of corruption through our society in both the public and private sector.

TM Masutha, MP (ADV)

Minister of Justice and Correctional Services

23 August 2017



**"THIS RELATIONSHIP
HAS RESULTED IN SKILLS
DEVELOPMENT INITIATIVES
TO SHARE BEST PRACTICES
IN RELATION TO CYBER
FORENSIC INVESTIGATIONS"**

REPORT OF THE ACCOUNTING AUTHORITY



ADV.
ANDY MOTHIBI

Head of the Special Investigating Unit



The South African anti-corruption and fraud prevention industry encompasses legislation and various public agencies dedicated to combat malpractice and maladministration. In 1996, the SIU was established in terms of the Special Investigating Units and Special Tribunal Act, (Act No 74 of 1996). The unit's principal mandate is to investigate "serious malpractices or maladministration in connection with the administration of State institutions, State assets and public money as well as any conduct which may seriously harm the interests of the public." Alongside other State departments and institutions, the SIU is on gear to uphold the Constitution and to be of service to the people. As such, we are proud to present our Performance Information in this Annual Report.

ORGANISATIONAL ENVIRONMENT

The SIU recognises that improvements to our organisational framework requires stability to the operating environment, robust accountability and governance, attaining growth through operational excellence, and demonstrating significance in our changing environment, this resulted in the Organisational Review. As a result the SIU has commenced with an Organisation Review Project that will reflect on critical issues including: the organisation's long-term strategy through short-term, measurable goals; concrete steps to mitigate and overcome these challenges; the necessary change management required of the organisation and steps the SIU has taken thus far; and the added-value the SIU is providing in the multi-agency sector. This project aims to improve the organisation through the determination of an organisation design, aligned remuneration structures, adequate job designs and career paths as underpinned by a robust strategy and changing culture where the SIU, as a whole, realises its role within a changing environment. This will improve SIU capacity to sight corruption both in the public sector and in the private sector.

STAKEHOLDER ENGAGEMENT FORUMS

In March 2017, the SIU launched its stakeholder engagement forum in Mahikeng, North West Province. The event was hosted in conjunction with the Office of the Premier and the key note address was delivered by the Honorable Supra Mahumapelo. The objectives of the forum is to strengthen our stakeholder relationships in the various Provinces and the aim is to achieve the following:

- Strengthened intergovernmental relations between the SIU and Provincial and Local Governments. During the forums, the SIU provides information on ways in which we can offer assistance to the Provinces in the fight against corruption, malpractice and maladministration;
- We also provide a platform to share information in relation to our core business and processes;
- We seek to provide assurance to our stakeholders by identifying ways of ensuring that levels of confidence and trust are maintained;

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SIU'S PERFORMANCE HIGHLIGHTS



REPORT OF THE ACCOUNTING AUTHORITY

- Furthermore, we seek to obtain input from our stakeholders to assist us in improving our processes; and
- Raise awareness regarding the role and legislative mandate of the SIU.

SIU thanks the Offices of the Premiers and the Members of the Executive Council (MEC's) in the provinces for their support. We also look forward to hosting our forums throughout the country.

KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

In the year under review the SIU considered amendments to its Act aimed at improving our ability to deliver on our mandate. Such considerations remain ongoing and will follow prescribed legislative change process. The SIU is proceeding to pursue the reestablishment of the Special Tribunal which will fast track the SIU Civil Litigation process and recoveries.

OVERVIEW OF SIU'S PERFORMANCE

13 proclamations were issued during the 2016/2017 financial year and the SIU exceeded eight of its ten targets. This is a material improvement to SIU's performance compared to the previous financial year.

OVERVIEW OF THE FINANCIAL RESULTS OF THE UNIT

DEPARTMENTAL RECEIPTS	2016/17			2015/2016		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	(OVER)/ UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	163 322	181 676	(18 354)	189 730	174 044	15 686
Transfers received	316 732	316 732	0	304 458	304 458	0
CARA Funds	427	427	0	0	4 148	(4148)
Other Income	0	4 872	(4 872)	0	5 095	(5 095)
Interest, dividends and rent on land	14 129	15 079	(950)	4 800	6 971	(2 171)
Total	494 610	518 785	(24 175)	498 988	494 716	4 272

■ Programme Expenditure

PROGRAMME NAME	2016/2017			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	180 384	204 784	(24 400)	215 234	187 795	27 439
Investigations	314 226	274 349	39 877	283 754	257 003	26 751
Total	494 610	479 133	15 477	498 988	444 797	54 190



COLLECTION OF REVENUE

The SIU submitted letters to State institutions, reminding them of the services rendered as per the Proclamations signed by the President, and the fact that the SIU is legislated to recover costs incurred in rendering those services. National Treasury and the Department of Justice and Constitutional Development also sent out letters to the State institutions requesting them to settle amounts due to the SIU.

OVER/UNDER RECOVERY

Revenue from services rendered is based on the recovery of fees from State institutions for services rendered under proclamations. The actual amount is slightly over the budgeted amount for the 2016/17 financial year due to the fact that there were 13 new proclamations issued during the year, which increased the number of active proclamations to 45.

Other income, relates to the rental of premises paid on behalf of the SIU by the Department of Public Works (DPW). This was historically not budgeted for. The SIU will in future budget for this item.

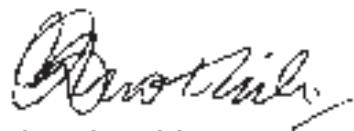
ACKNOWLEDGEMENT

The achievements of the SIU could have not been possible without the support of our valued stakeholders, including that of oversight bodies such as Parliament and particularly the Portfolio Committee on Justice and Constitutional Development who continue to ensure that the mandate of the SIU is achieved. Whilst we carry on working towards operational excellence and collaborations with other stakeholders, I would also like to express my appreciation to the Office of the President and the Department of Justice and Constitutional Development, who this year

signed a Memorandum of Understanding (MOU) with the SIU. This MOU which will ensure mutual co-operation and assistance and most significantly, will enable the SIU to commence with investigations into allegations of impropriety effectively and efficiently thereby ensuring that the processing of motivations, authorisation and publication is handled expeditiously.

As such, I would also like to thank the Heads of State institutions and officials who we interacted with and who enabled us to assist them and conduct our work, thereby working towards ridding behavioural root causes of maladministration, malpractice and corruption.

In conclusion, I would also like to thank the Management and Staff of the SIU for all their continued efforts to dutifully execute on our mandate, as well as thank all South Africans who support us and who rely on our unit to conduct forensic investigations and institute civil recoveries on behalf of our state institutions.



Adv. Andy Mothibi
Accounting Authority

31 July 2017

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

TO THE BEST OF MY KNOWLEDGE AND BELIEF, I CONFIRM THE FOLLOWING:

All information and amounts disclosed throughout the annual report are consistent. The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part G) have been prepared in accordance with the accrual and the relevant frameworks and guidelines issued by the National Treasury.

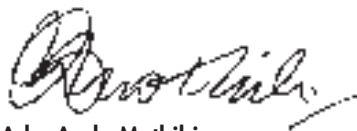
The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2017.

Yours faithfully



Adv. Andy Mothibi
Accounting Authority

31 July 2017



STRATEGIC OVERVIEW

VISION

A vision statement points an organisation in a particular direction, charts a strategic path for it to follow in preparing for the future, and moulds organisational identity. The vision statement communicates management's aspirations to stakeholders and helps steer the energies of staff in a common direction. In the pursuance of its mandate, the Vision of the SIU is:

Working together towards ridding society of corruption, malpractice and maladministration.

MISSION

The mission statement of the SIU describes its present scope and fundamental purpose (who we are, what we do, and why we are here).

The Mission of the SIU is:

Co-operating with other State entities to fight corruption, malpractice and maladministration effectively through forensic investigations, civil proceedings, referrals for criminal prosecution and referrals for disciplinary action.

VALUES

The SIU's Values reflect traits or qualities that represent the requirements of the Constitution of South Africa, in particular Chapter 10 – Public Administration and Batho Pele principles. This emphasizes certain basic values and principles governing Public Administration and requires that Public Administration be governed by the democratic values and principles enshrined in the Constitution. The SIU's values are grounded in strong ethical considerations. Furthermore, the war on corruption, malpractice and maladministration cannot be won by agencies that have in their midst individuals that do not espouse sound values. As a result, SIU staff members are required to maintain the highest standards of proper conduct and integrity at all

times and to ensure that there is no doubt as to what is required. To this end, the SIU has developed a set of core values.

The SIU's value statements (in direct alignment with the Batho Pele principles) are reflected in the table below:

All SIU employees are consistently encouraged to live the SIU's values in all that they do. The SIU will continue to encourage staff to do so until such time as the values form an integral part of the work life of all staff at the SIU. Regular communication sessions will continue to be held detailing the SIU's purpose, mandate, role, functions and ways of working. This will ensure that the SIU's strategy and values remain relevant and become firmly institutionalised.

VALUES	DESCRIPTION
❖ Integrity	Maintaining and ensuring proper conduct among members of the SIU.
❖ Co-operation	Nurturing excellent co-operation and co-ordination with other Corruption-Busting and Law-Enforcement Agencies.
❖ Professionalism	Conducting forensic investigations and/or facilitating civil proceedings in a professional manner.
❖ Drive and passion	Ensuring that all our tasks are performed with the requisite drive and passion.
❖ Effectiveness	Aligning and improving systems and processes to convert minimum resources into maximum results within the shortest possible time.
❖ Independence	Acting without fear, favour or prejudice.

LEGISLATIVE MANDATE

The work of the SIU is governed by a **legislative framework** including legislation as set out below:

LEGISLATIVE MANDATE

NAME OF ACT	PURPOSE
Special Investigating Units and Special Tribunals Act, 1996 (Act 74 of 1996)	To provide for the establishment of Special Investigating Units for the purpose of investigating serious malpractices or maladministration in connection with the administration of State institutions, State assets and public money as well as any conduct which may seriously harm the interests of the public and of instituting and conducting civil proceedings in any court of law or a Special Tribunal in its own name or on behalf of State institutions; to provide for the revenue and expenditure of Special Investigating Units; to provide for the establishment of Special Tribunals so as to adjudicate upon civil matters emanating from investigations by Special Investigating Units; and to provide for matters incidental thereto.
Criminal Procedure Act, 1995 (Act 56 of 1995)	To make provision for procedures and related matters in criminal proceedings.
Prevention and Combating of Corrupt Activities Act 12 of 2004	To provide for the strengthening of measures to prevent and combat corruption and corrupt activities; to provide for investigative measures in respect of corruption and related corrupt activities.

The SIU derives its mandate from **Section 4 of the Special Investigating Units and Special Tribunals Act**. The functions of the SIU are, within the framework of its terms of reference as set out in the proclamation referred to in section 2(1):

- (a) To investigate all allegations regarding the matter concerned;
- (b) To collect evidence regarding acts or omissions which are relevant to its investigation;
- (c) To institute and conduct civil proceedings in a Special Tribunal or any court of law for:
 - i) any relief to which the state institution concerned is entitled, including the recovery of any damages or losses and the prevention of potential damages or losses which may be suffered by such a State institution;
 - ii) any relief relevant to any investigation; or
 - iii) any relief relevant to the interests of a Special Investigating Unit;

- (d) To refer evidence regarding or which points to the commission of an offence to the relevant prosecuting authority;
- (e) To perform such functions which are not in conflict with the provisions of this Act, as the President may from time to time request;
- (f) From time to time as directed by the President to report on the progress made in the investigation and matters brought before the Special Tribunal concerned or any court of law;
- (g) Upon the conclusion of the investigation, to submit a final report to the President; and
- (h) To at least twice a year submit a report to Parliament on the investigations by and the activities, composition and expenditure of such Unit.

A Special Investigating Unit must, as soon as practicable after it has obtained evidence referred to in sub-section (1)(d), inform the relevant prosecuting authority thereof, whereupon such evidence must be dealt with in the manner which best serves the interests of the public.

The SIU conducts its mandate in accordance with Section 4 of the **Special Investigating Units and Special Tribunals Act** and in accordance with the imperatives of the Constitution and the Promotion of Administrative Justice Act No. 3 of 2000 (PAJA).

❖ CONSTITUTIONAL MANDATE

The SIU carries out its work having due regard to the fundamental rights as contained in the Constitution of the Republic of South Africa (the Constitution). Specifically, the SIU has a direct impact on Sections 32, 33 and 34 of the Constitution, under the Bill of Rights section.

CONSTITUTION

SECTION 32

❖ Access to information

SECTION 33

❖ Just administrative action

SECTION 34

❖ Access to courts

Scan the QR Code to obtain the full South African Constitutional Mandate as summarised here



SIU LEADERSHIP TEAM

The SIU leadership team is the top management structure responsible for making decisions in terms of the legislative mandate of the Unit, with the Head of the Unit leading the team.

EXECUTIVE COMMITTEE (EXCO)	TITLES
Adv. Andy Mothibi	Head of the Unit
Mr André Gernandt	Chief Financial Officer
Adv. Gerhard Visagie	Head of Civil Litigation
Dr Jerome Wells	Corporate Lawyer
Mr Leonard Lekhetho	Projects Director
Ms Miseria Nyathi	Head of Business Support
Ms Moloetsane Lecheko*	Head of Internal Integrity Unit
Ms Nazreen Pandor	Head of Communications and Stakeholder Management
Mr Thulani Mkhungo	Head Internal Audit, Risk and Governance

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Back Row, left to right: Mr Leonard Lekhetho, Mr André Gernandt, Mr Thulani Mkhungo, Dr Jerome Wells.

Front Row, left to right: Adv. Gerhard Visagie, Ms Miseria Nyathi, Adv. Andy Mothibi, Ms Nazreen Pandor.

***In Absentia:** Ms Moloetsane Lecheko (Head of IIU).



##CO-OPERATION##

NURTURING EXCELLENT CO-OPERATION AND CO-ORDINATION WITH
OTHER CORRUPTION-BUSTING AND LAW-ENFORCEMENT AGENCIES





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against corruption

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PART B PERFORMANCE INFORMATION

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Strategic Objective 2: Facilitate or Initiate Appropriate Remedial Action
Strategic Objective 3: Co-operate Effectively with other Role Players

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Capital Investment, Maintenance and Asset Management Plan

2017

PERFORMANCE INFORMATION

1 SUMMARY OF PERFORMANCE INFORMATION

ESTIMATE FOR NATIONAL EXPENDITURE FINANCIAL REPORT - 2016/2017 FINANCIAL YEAR			
SIU BUSINESS OPERATIONS CORE MANDATE COMBATting CORRUPTION	ESTIMATED PERFORMANCE		
	2016/2017		
Key Performance Indicator	YTD Actuals	Annual Target	Deviation
The number of investigations closed out	1 186	800	48%
The number of reports submitted to the Presidency	6	5	20%
The value of money and/or assets potentially recoverable	126 920 485	240 000 000	-47%
The actual value of money and/or assets recovered	43 500 706	140 000 000	-69%
The value of potential loss prevented	106 527 223	18 000 000	492%
The value of contract(s) and/or administrative decision(s) / action(s) set aside or deemed invalid	4 014 630 241	600 000 000	569%
The value of matters in respect of which evidence was referred for the institution or defence/ opposition of civil proceedings (including arbitration or counter civil proceedings)	3 816 540 390	1 200 000 000	218%
The number of referrals made to the relevant Prosecuting Authority	108	60	80%
The number of referrals made for disciplinary, executive and/or administrative action	137	75	83%
The number of SIU member(s) participating in Joint Operation(s) or seconded to assist State Institutions	54	30	80%





2 OVERVIEW OF SIU'S PERFORMANCE


SIU PERFORMANCE HIGHLIGHTS


AT A GLANCE, OUR KEY HIGHLIGHTS

6  *The number of final investigation reports submitted to the Presidency*

R126 MILLION  *The potential value of money that may be recovered for the State*

R43.5 MILLION  *The actual value of money and/or assets that has been recovered for the State*

R106 MILLION  *The value of payments that were not made in four matters as a result of the SIU's intervention(s)*

R4 BILLION  *The value of four contract(s) and/or administrative decision(s) / action(s) set aside or deemed invalid as a result of the SIU's intervention(s)*

R3.8 BILLION  *The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings)*

108  *The number of referrals that have been made to the NPA for prosecution and the AFU for forfeiture orders*

137  *The number of referrals made for disciplinary, executive and/or administrative action*

PERFORMANCE INFORMATION

3 DETAILED PERFORMANCE INFORMATION

STRATEGIC OBJECTIVE 1: CONDUCT QUALITY FORENSIC INVESTIGATIONS

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017

PERFORMANCE MEASURE		2015/16	2016/17	NARRATIVE																																																
The number of investigations closed out	TARGET	Baseline established	800	<p>This is the number of investigations that are closed out under a published proclamation. It measures the ability to conduct and close out forensic investigations and reflects the amount of work being done under a published proclamation instead of waiting for the final presidential report to be submitted. The total number of investigations closed out per proclamation is shown below:</p> <table><tr><td>No</td><td>Proc No</td><td>Proc Name</td></tr><tr><td>5</td><td>R21 of 2010</td><td>GDOH</td></tr><tr><td>7</td><td>R62 of 2014</td><td>Dept of Communications</td></tr><tr><td>769</td><td>R27 of 2015</td><td>DPW</td></tr><tr><td>63</td><td>R62 of 2010</td><td>Tshwane Municipality</td></tr><tr><td>9</td><td>R8 of 2011</td><td>Dept of Land Reform</td></tr><tr><td>4</td><td>R57 of 2014</td><td>Dept of Transport</td></tr><tr><td>81</td><td>R53 of 2012</td><td>Dept of Land Restitution</td></tr><tr><td>173</td><td>R59 of 2014</td><td>DPW (Leases)</td></tr><tr><td>9</td><td>R10 of 2014</td><td>Media Corner</td></tr><tr><td>2</td><td>R40 of 2015</td><td>Buffalo City Municipality</td></tr><tr><td>20</td><td>R598 of 2015 R17 of 2016</td><td>EC DOE</td></tr><tr><td>21</td><td>R7 of 2014</td><td>Deeds Office</td></tr><tr><td>1</td><td>R54 of 2012</td><td>DWAF</td></tr><tr><td>16</td><td>R19 of 2016</td><td>CIDB</td></tr><tr><td>6</td><td>R23 of 2016</td><td>KZN DOT</td></tr></table> <p>The total number of investigations closed out was 1,186. This means that the target for the year was exceeded by 48%.</p>	No	Proc No	Proc Name	5	R21 of 2010	GDOH	7	R62 of 2014	Dept of Communications	769	R27 of 2015	DPW	63	R62 of 2010	Tshwane Municipality	9	R8 of 2011	Dept of Land Reform	4	R57 of 2014	Dept of Transport	81	R53 of 2012	Dept of Land Restitution	173	R59 of 2014	DPW (Leases)	9	R10 of 2014	Media Corner	2	R40 of 2015	Buffalo City Municipality	20	R598 of 2015 R17 of 2016	EC DOE	21	R7 of 2014	Deeds Office	1	R54 of 2012	DWAF	16	R19 of 2016	CIDB	6	R23 of 2016	KZN DOT
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	21	R7 of 2014	Deeds Office																																																	
	1	R54 of 2012	DWAF																																																	
	16	R19 of 2016	CIDB																																																	
	6	R23 of 2016	KZN DOT																																																	
ACTUAL	n/a	1,186																																																		
The number of reports submitted to the Presidency	TARGET	Baseline established	5	<p>This is the number of final investigation reports that are submitted to the Presidency. Six reports were finalised and submitted between 1 April 2016 and 31 March 2017. Reports were submitted in respect of the following proclamations:</p> <ul style="list-style-type: none">■ R62 of 2014: Department of Communications■ R63 of 2010: EMM■ R54 of 2012: DWAF■ R38 of 2010: DPW■ R598 of 2015: EC DOE■ R21 of 2010: GDOH <p>Full details can be found in Completed Proclamations, refer to page 40.</p> <p>The target for the year was exceeded.</p>																																																
	ACTUAL	n/a	6																																																	



STRATEGIC OBJECTIVE 2: FACILITATE OR INITIATE APPROPRIATE REMEDIAL ACTION

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE	2015/16	2016/17	NARRATIVE
The value of money and/or assets potentially recoverable (R')	TARGET	220 million	240 million
	ACTUAL	73 million	126.9 million
<p>This indicator measures the value of money and/or assets that may potentially be recovered for the State and/or relevant third parties (e.g. as envisaged in section 2(2)(g) of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996) (SIU Act).</p> <p>A total of eight Acknowledgement of Debt (AOD) documents were signed between 1 April 2016 and 31 March 2017 to the value of R519,799.</p> <p>Three preservation orders were obtained from the AFU to the value of R46 419 423 in respect of three matters under investigation in KZN.</p> <p>In the Free State (FS), Western Cape (WC), Gauteng (GAU) and KwaZulu Natal (KZN) the investigation teams identified that the Department had paid for parking bays and/or storage space and/or additional lettable space but these were never allocated by the landlord; that the landlord was not Value Added Tax (VAT) registered but had charged VAT on the rental; and that the Department had made overpayments on their lease agreements. The value of these potential recoveries is R62 566 699.</p> <p>In KZN the investigation team signed 171 Acknowledgement of Liability (AOL) documents to the value of R2 221 842. An AOL is a document where the debtor acknowledges that he/she is liable for the debt, however no repayment terms are agreed upon. The rationale behind adopting an approach such as this was a direct consequence of the peculiarities of the investigation into the evasion of motor vehicle license fees. The eNaTIS system which is an electronic database that records inter alia all licencing information surrounding a vehicle, does not allow for outstanding licence fees to be paid in instalments. Payments could only be effected at DOT approved centres. Once a debtor acknowledges liability for the debt, the debt is then registered onto the debtors name on the eNaTIS system allowing the debtor to then effect payment.</p> <p>Letters of Demand were issued to firms who benefitted unduly for amounts that were erroneously overpaid by the Department for professional fees and which were neither due, owing or payable. The total amount to potentially be repaid to the Department is R11 582 171. The letter of demand instructs these firms to repay the amounts owing and should they fail to pay the amounts owing, appropriate action will be taken to recover the amounts together with interest and costs.</p> <p>Two members of a close corporation were charged with unlawfully and intentionally stealing property. They were found guilty of the crime of theft, read with the provisions of Section 94 of the Criminal Procedure Act, No 51 of 1977 (CPA). They were sentenced to correctional supervision and ordered to repay the monies stolen. Each accused has to repay an amount of R242 862, so the total amount to be repaid is R485 724.</p> <p>The SIU's investigation had established that certain service providers with whom the Department had contracted to provide goods and services, had claimed and were paid VAT, but they were not registered for VAT nor did they use active VAT numbers. They also failed to declare and/or pay over such VAT to SARS. In some instances the goods and services were not rendered. The SIU referred these matters to SARS to take criminal action and were possible to recover the monies. The value of these referrals is R3 124 825.</p> <p>The overall target for the year was set at R240 million and the value of money and/or assets potentially recoverable by the SIU amounted to R126 920 485. This means that the target for the year was not met.</p> <p>There were challenges with matters referred to AFU (i.e. quantifying losses) and there is currently an appeal pending against this ruling. Orders in excess of R300 million are potentially on hold pending the outcome of this appeal case;</p> <p>There were delays in finalising the just and equitable leg of civil matters; and</p> <p>There was a change in the profile of matters under investigation (previously the SIU investigated SASSA and Land Reform which made significant contributions to this indicator).</p>			



PERFORMANCE INFORMATION

STRATEGIC OBJECTIVE 2: FACILITATE OR INITIATE APPROPRIATE REMEDIAL ACTION (CONTINUED)

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE		2015/16	2016/17	NARRATIVE
The actual value of money and/or assets recovered (R')	TARGET	120 million	140 million	<p>This indicator measures the actual value of money and/or assets that has been recovered for the State and/or relevant third parties.</p> <p>The AOD Enforcement Department at the SIU collected payments from debtors to the value of R11 506 503 for the 2016/2017 financial year.</p> <p>Four final AFU orders were obtained in respect of investigation in KZN. The value of these final orders is R30 126 196.</p> <p>A total of R1 729 295 was recovered by the DPW where the lessor was not registered as a VAT vendor and was therefore not entitled to charge VAT on the lease payments or where overpayments had been identified on lease agreements.</p> <p>Proof of payment was submitted to the SIU to the value of R138 712 that relates to a liability of outstanding licence fees that was paid upon identification by the liable owner.</p> <p>The target for the year for this indicator was R140 million. The total value of the actual cash and/or assets recovered was R43 500 706. The target for the year was unfortunately not met.</p> <p>There were challenges with matters referred to AFU (i.e. quantifying losses) and there is currently an appeal pending against this ruling. Orders in excess of R300 million are potentially on hold pending the outcome of this appeal case;</p> <p>There were delays in finalising the just and equitable leg of civil matters; and</p> <p>There was a change in the profile of matters under investigation (previously the SIU investigated SASSA and Land Reform which made significant contributions to this indicator).</p>
	ACTUAL	52 million	43.5 million	



STRATEGIC OBJECTIVE 2: FACILITATE OR INITIATE APPROPRIATE REMEDIAL ACTION (CONTINUED)

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE		2015/16	2016/17	NARRATIVE
The value of potential loss prevented (R')	TARGET	Baseline established	18 million	<p>This indicator measures the prevention of potential loss generated as a result of SIU action or through the use of SIU evidence.</p> <p>The SIU was mandated to investigate allegations of irregularity in respect of an agreement which was awarded to a service provider. As a result of the SIU's investigation, payments to the value of R83 470 380 were stopped and suspended in respect of the agreement. It was established that an individual contacted two officials and claimed that he was an SIU member and attempted to change bank details so that a payment of R7 559 994 could be diverted to him for his benefit. A criminal case was registered and the Department was advised not to make any further payments until further verification could be done. The department confirmed in writing that the payment was not made as a result of our investigation.</p> <p>A hire purchase agreement between a service provider and a Local Municipality was cancelled as a result of the SIU's investigation. The value of the contract was R107 404 471 over the full 36 month period. The total amount paid out under this contract was R92 487 183 which means that R14 917 288 was not paid out as result of the cancellation of this contract.</p> <p>The SIU had established during its investigation of the procurement of a lease concluded that the Department had incurred a loss because it had paid rental for more space than what was actually being leased. The SIU recommended that the loss be recovered and that the lease agreement be rectified. The SIU has received confirmation that the Department has attended to the recovery and as rectified the lease. The rectification of the lease has resulted in the prevention of potential loss over the remaining duration of the lease to the value of R349 167.</p> <p>The SIU investigation found that the landlord was overpaid in respect of parking bays which constituted a loss suffered by the Department. The overpayment identified by the SIU was not paid to the landlord for rental. The number of the parking bays on the system were also adjusted which reduced the monthly rental that was to be paid to the landlord. This adjustment means that the total future loss prevented for the remainder of the lease is R230 396.</p> <p>The value of the prevention of potential loss generated as a result of SIU action or through the use of SIU evidence for the financial year is R106 527 223 which means that not only was the target for the year met, but it also far exceeded the impact we expected as a result of our interventions.</p>
	ACTUAL	n/a	106.5 million	

PERFORMANCE INFORMATION

STRATEGIC OBJECTIVE 2: FACILITATE OR INITIATE APPROPRIATE REMEDIAL ACTION (CONTINUED)

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE	2015/16	2016/17	NARRATIVE
The value of contract(s) and/or administrative decision(s) / action(s) set aside or deemed invalid	TARGET	Baseline established 600 million	<p>This indicator measures the value of contract(s) and/or administrative decision(s)/action(s) (e.g. tender awards or appointments etc.) set aside, deemed invalid, terminated or prevented, as a result of SIU action or through the use of SIU evidence. It gives an indication of the work done by the SIU in instituting, conducting and/or facilitating the appropriate remedial action.</p> <p>Proc 10 of 2014: Dept of Communications In 2012 the Department awarded a tender for rendering services in respect of the public awareness campaign relating to the Broadcasting Digital Migration Process Project to Media Corner (Pty). In September 2016 the High Court of South Africa found that the decision to award the tender is reviewed and set aside. The value of the tender award is R756 000 000.</p> <p>Proc R7 of 2014 extended by R599 of 2015: DRDLR and the SITA The award of a contract to Gijima was declared to be invalid. Due to a pricing error made during the bid evaluation process, the bid was awarded to the incorrect bidder. In doing so the principles regulating public sector procurement as set out in section 217(1) of the Constitution was breached. The value of the contract was R651 225 771.</p> <p>Proc R57 of 2014: Department of Transport (DOT) In 2001 the Department awarded a contract to Tasima to provide traffic management services and functions with eNaTIS. In 2010, the Department extended the contract for a period of five years. The Department sought to transfer the eNaTIS and associated services to the Road Traffic Management Corporation (RTMC) in 2012. Tasima approached the High Court seeking an order to enforce the extension, pending the outcome of a dispute resolution which was agreed to in the contract. An order was granted. The Department opposed Tasima's application by way of a counter application, seeking to review and set aside the extension of the contract. The High Court found in favour of the Department but this was overturned by the Supreme Court of Appeal. It concluded that reactive challenges are not open to organs of state and that the counter application was brought too late to be considered. It further found that even if the extension could be set aside by way of a reactive challenge, this would not insulate the Department and the RTMC from complying with the court orders enforcing the contract. The Department then took the matter to the Constitutional Court. In November 2016 the Constitutional Court handed down judgement and overturned the Appeal Court order and ordered Tasima to hand the eNaTIS and associated services to the RTMC. The value of the contract was R2 500 000 000.</p> <p>Proc R31 of 2016: Amahlathi Local Municipality In September 2016, the SIU recommended to the Municipality that they should not make any further payments to Kwane/Laman Financial Services, because this would defy all business sense and is bound to constitute a reckless incurrence of fruitless and wasteful expenditure. Section 62(1)(d) of the Municipal Finance Management Act, No 56 of 2003 (MFMA) obliges a municipal manager to take all reasonable steps to ensure "that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented." Sections 172(1)(a)(i) and (iii) of the MFMA render the deliberate or grossly negligent failure to comply with section 62 a criminal offence. In November 2016, Kwane was informed that by concluding an agreement with BLC Plant Company where BLC would acquire ownership of the equipment, they had repudiated the hire purchase agreement concluded with the Municipality. The Municipality has therefore decided to cancel the hire purchase agreement and all equipment will be returned to Kwane. The value of the contract is R107 404 471.</p> <p>The value of the contracts and/or administrative decisions/actions set aside or deemed invalid for the financial year in respect of only four contracts is R4 014 630 241. The SIU's ability to institute civil action in its own name or on behalf of State Institutions has contributed the success of meeting this target. The target for the year has been met and significantly exceeded.</p>
	ACTUAL	n/a 4 billion	

STRATEGIC OBJECTIVE 2: FACILITATE OR INITIATE APPROPRIATE REMEDIAL ACTION (CONTINUED)

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE	2015/16	2016/17	NARRATIVE
The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings)	TARGET	Baseline established 1.2 billion	<p>This indicator measures the value of matters in respect of which the SIU instituted or facilitated civil proceedings or where civil proceedings (including Arbitration or counter civil proceedings) were instituted or opposed/defended by means of SIU evidence. It gives an indication of the work done by the SIU in its core business of collecting evidence and recovering or safeguarding State money or assets through the institution, facilitation, opposition or defence of civil proceedings (including Arbitration proceedings).</p> <p>Proc R5 of 2014: SAPO In May 2016 an application was lodged to review a decision to award a lease to Centurion Vision Development (Pty) Ltd and to set aside the resulting ten year lease agreement and any addenda. The value of the ten year lease contract is R484 892 453.</p> <p>Proclamation R38 of 2010: DPW</p> <ul style="list-style-type: none"> ■ A notice of motion has been prepared by Counsel for an order to, amongst others: <ul style="list-style-type: none"> a) Set aside the agreement and any amendments thereto, as being unlawful, invalid and of no force and effect. The value of this agreement is R1 993 004 143; b) Declare that the respondents are liable to reimburse the applicant of all monies paid pursuant to the agreement. The value of the recovery is R103 003 696. ■ A summons was issued in the High Court, Gauteng Division in the matter between the SIU and Maree Els and Partners CC and Muhammed Mayet Architects. The SIU intends to recover an amount of R3 138 951 which was overpaid by the Department in the bona fide and reasonable, but mistaken, belief that such amount was due, owing and payable to the defendants. ■ A summons was issued in the High Court, Gauteng Division in the matter between the SIU and Aurecon South Africa (Pty) Ltd and JH System Engineers Pretoria Inc. The SIU intends to recover an amount of R704 762 which was overpaid by the Department in the bona fide and reasonable, but mistaken, belief that such amount was due, owing and payable to the defendants. ■ A summons was issued in the High Court, Gauteng Division in the matter between the SIU and Consultium Project Planning and Management CC. The SIU intends to recover an amount of R111 050 which was overpaid by the Department in the bona fide and reasonable, but mistaken, belief that such amount was due, owing and payable to the defendants. ■ A summons was issued in the High Court, Gauteng Division in the matter between the SIU and Llale & Company Quantity Surveyors (Pty) Ltd and Mahlati Quantity Surveyors (Pty) Ltd formerly Mahlati Liebetrau (Pty) Ltd. The SIU intends to recover an amount of R6 869 608 which was overpaid by the Department in the bona fide and reasonable, but mistaken, belief that such amount was due, owing and payable to the defendants. <p>Proc R59 of 2014: DPW: Leases</p> <ul style="list-style-type: none"> ■ The State Attorney has been requested to act on behalf of the SIU and to brief suitably qualified and experienced Counsel and to furnish an opinion regarding the continuation of the lease concluded by the Department. The value of the matter is R12 042 187. ■ Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU, relating to the SIU's investigation of a lease procured by the Department on behalf of the SAPS from Silver Moon Investments. Silver Moon has instituted action against the Department for payment of money which they allege is due. The SIU investigation has obtained evidence and wishes to intervene in the proceedings and join as a third defendant. The value of the litigation is R37 617 938.
	ACTUAL	n/a 3.8 billion	



PERFORMANCE INFORMATION

STRATEGIC OBJECTIVE 2: FACILITATE OR INITIATE APPROPRIATE REMEDIAL ACTION (CONTINUED)

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE	2015/16	2016/17	NARRATIVE
The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings) <i>continued</i>	TARGET	Baseline established 1.2 billion	<ul style="list-style-type: none"> ■ Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU relating to the SIU's investigation of a lease procured by the Department on behalf of Statistics South Africa from Silver Moon Investments. Silver Moon has instituted action against the Department for payment of money which they allege is due. The SIU investigation has obtained evidence and wishes to intervene in the proceedings. The value of the litigation is R1 395 864. ■ Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU. The SIU contends that the lease is tainted because a proper procurement process was not followed. The SIU is seeking an opinion on DPW's recourse in this matter. Counsel has been briefed and is busy preparing papers. The value of the litigation is R6 382 128. ■ Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU. The relief that the SIU is seeking is that the lease agreement entered into must be reviewed, set aside and declared invalid and that the excessive rental amounts paid, be recovered. The value of this litigation is R609 million. ■ Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU. The relief that the SIU is seeking is as follows: <ol style="list-style-type: none"> 1. The decision to conclude a lease agreement be declared unlawful and set aside; 2. Or declare that the lease was concluded without a valid needs assessment being concluded or without the signatories being authorised to sign the lease; 3. Or declare the lease null and void; 4. Or declare that the lease agreement was unlawful without declaring it void and ordering that rentals payable be recalculated and the difference between the rentals actually paid be corrected and offset against corrected future rentals. The value of the litigation is R151 211 439. ■ Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU to institute legal proceedings to recover losses suffered by the Department. The value of the litigation is R15 260 690. <p>Proc R62 of 2014: Dept of Communications During the course of the SIU's investigation, evidence was obtained, which in our view, necessitates the institution of civil proceedings against an official in relation to travel and accommodation expenses or other benefits which were irregularly paid by the Department in respect of a person who does not qualify therefore. The value of the matter is R693 857.</p> <p>Proclamation R54 of 2014 amended by Proclamation R44 of 2015: DPW: Prestige situated in the Western Cape Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU. The referral was as a result of a verification of the final account and related evidence, in respect of a Prestige project in the Western Cape. It was found that the contractor was not entitled to certain payments which were claimed for and which were incorrectly allowed/condoned. The value of the litigation is R4 738 249.</p>
	ACTUAL	n/a 3.8 billion	

STRATEGIC OBJECTIVE 2: FACILITATE OR INITIATE APPROPRIATE REMEDIAL ACTION (CONTINUED)

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE	2015/16	2016/17	NARRATIVE
The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings) <i>continued</i>	TARGET	Baseline established 1.2 billion	<p>Proc R18 of 2016: DCS: Electronic Monitoring System Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU relating to the SIU's investigation into a contract that was awarded to Engineered System Solutions for the electronic monitoring of eligible prisoners. The value of the litigation is R365 million.</p> <p>Proc R598 of 2015 extended by R17 of 2016: DOE: Eastern Cape Province A summons was issued in the High Court, Grahamstown against four defendants in relation to the Siegesmund Trust and the relief sought is an order declaring that the procurement of goods as well as the Service Level Agreement (SLA) is unlawful and void and thus so is the payment of the profit calculated at R12 578 703. The value of the litigation is R59 261 488.</p> <p>Proc R20 of 2016: DCS Evidence was referred to the State Attorney requesting that they brief Counsel to act for and on behalf of the SIU relating to the SIU's investigation into the appointment of Masetloaka Scott Wilson (Pty) Ltd (MSW). The relief being sought by the SIU is as follows:</p> <ol style="list-style-type: none"> 1. The appointment of MSW by the Department in respect of the renovation project is irregular and invalid; 2. The appointment of MSW by the Department in respect of the Government Immovable Asset Management Act, No 19 of 2007 (GIAMA) assessment project is irregular and invalid; and/or 3. The abovementioned appointments stand(s) to be: declared unlawful and invalid ab initio; and set aside by a court of law; 4. The SIU is also seeking to recover any losses suffered by the Department. <p>The value of the litigation is R65 215 583.</p> <p>The overall target for the year was set at R1.2 billion. The value of the matters referred for the institution or defence/opposition of civil proceedings for the financial year is R3 816 540 390 which means that not only was the target for the year met, but it was also significantly exceeded.</p>
	ACTUAL	n/a 3.8 billion	



PERFORMANCE INFORMATION

STRATEGIC OBJECTIVE 3: CO-OPERATE EFFECTIVELY WITH OTHER ROLE PLAYERS

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE		2015/16	2016/17	NARRATIVE
The number of referrals made to the relevant Prosecuting Authority	TARGET	45	60	<p>This indicator measures the number of referrals pointing to or regarding the commission of a criminal offence.</p> <p>The nature of the offences include:</p> <ul style="list-style-type: none"> ■ Fraud and/or forgery and/or uttering ■ Contravention of section 17(1) of PRECCA ■ Contravention of section 86(1) of the PFMA, as read with section 38(1)(a)(iii), 38(1)(c)(ii) and 38(1)(n) ■ Contravention of section 173(1)(a)(iii) of the MFMA ■ Contravention of section 30(1)(a) of CIDB regulation ■ Contravention of sections 3,4,10 and 21 of PRECCA. <p>This indicator measures the number of referrals of evidence pointing to the commission of offences to the relevant Prosecuting Authority (e.g. the NPA, AFU or foreign prosecuting authorities etc). The overall target for the year was set at 60 referrals. The number of matters referred to the NPA and/or AFU for this financial year is 108 referrals, which means that the target for the year was met.</p> <p>Copies of all referrals are also being sent to the Presidency in order to persuade state institutions to implement our remedial actions.</p>
	ACTUAL	307	108	
The number of referrals made for disciplinary, executive and/or administrative action	TARGET	60	75	<p>This indicator measures the referral of SIU evidence pointing to misconduct or irregular conduct to State institutions, authorities, entities or persons for purposes of the institution of disciplinary, executive, administrative or other forms of civil sanctions.</p> <p>The nature of the offences include:</p> <ul style="list-style-type: none"> ■ Contravening the code of Good conduct for the Public Service ■ Contravention of section 33(1)(b) of the Employment of Educators Act ■ Contravention of the Disciplinary Code and Procedures for the Public Service ■ Gross negligence ■ Contravention of section 45(a), section 45(b) and section 45(c) of the PFMA ■ Fraud ■ Contravention of section 38(1)(b) and section 38(1)(c)(ii) of the PFMA ■ Misconduct in terms of Section 2(b) of the Code of Conduct of the Municipal Systems Act No 32 of 2000 (MSA) ■ Contravention of the PSA and the Public Service Regulations ■ Recommendation to restrict the contractor against competing for contracts for the supply of goods or services to the State ■ Unprofessional, dishonourable or unworthy conduct in terms of section 71 of the Attorneys Act ■ Regulation 16A8.4 of the Treasury Regulations
	ACTUAL	68	137	

STRATEGIC OBJECTIVE 3: CO-OPERATE EFFECTIVELY WITH OTHER ROLE PLAYERS (CONTINUED)

SIU Annual Performance Information for the period 1 April 2016 to 31 March 2017 (Continued)

PERFORMANCE MEASURE	2015/16	2016/17	NARRATIVE
The number of referrals made for disciplinary, executive and/or administrative action <i>continued</i>	TARGET	60	75
	ACTUAL	68	137
			<ul style="list-style-type: none"> ■ Did not qualify for a Land Claim and was not entitled to compensation ■ Contravention of Section 217(1) of the Constitution of SA ■ Contravention of Sections 38(1)(a)(i),(iii), 38(1)(b), 38(1)(c)(i),(ii),(iii), 38(1)(d), 38(1)(n), 45(a),(b),(c), 41, 80, 81(1)(a) and 81(1)(b) of the PFMA ■ Contravention of Section 7(3) of the State Information Technology Agency Act, No 88 of 1998 (SITA) ■ Contravention of Regulations 15.10.1.2(b) and/or (c) and 11.5.1 of the Treasury Regulations ■ Contravention of DRDLR's SCM Delegations of Authority and Vulindlela Project Charter ■ Contravention of Regulation 68(1) of the Deeds Registries Act, no 47 of 1937 ■ Contravention of Section 3(1)(b) of the Deed Registries Act ■ Contravention of Section 10A(1) of the Housing Amendment Act 4 of 2001 ■ Contravention of Section 118(1) of the Municipal Systems Act ■ Administrative action: Promotion of Administrative Justice Act, Act 3 of 2000 (PAJA) ■ Contravention of regulation 30(1)(a) of CIDB regulations ■ Contravention of Section 78(1),(2) and 171(1)(a),(b),(c) of the MFMA Act 56 of 2003.
The number of SIU member(s) participating in Joint Operation(s) or seconded to assist State Institutions	TARGET	Baseline established	30
	ACTUAL	n/a	54
			<p>This is an indicator of the extent to which the SIU assists State institutions, co-operates with Government anti-corruption initiatives or anti-corruption forums.</p> <p>14 SIU members participated in joint operations at the ACTT.</p> <p>13 members were seconded to the EC DOE.</p> <p>10 members were seconded to DPW in GAU and the WC.</p> <p>Three members were seconded to the National Department of Co-operative Governance.</p> <p>11 members were seconded to the EC Dept of Health.</p> <p>One member has been seconded to the NPA.</p> <p>Two members were seconded to PSETA.</p> <p>The overall target for the year was set at 30 members. The number of members who were allocated to assist the ACTT or who were seconded to State Institutions was 54, which means that the target for the year was met.</p>

PERFORMANCE INFORMATION

4 CONDITIONAL GRANTS

CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table to the right details the conditional grants and earmarked funds received during for the period 1 April 2016 to 31 March 2017.

DEPARTMENT TRANSFERRING THE GRANT	DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT
Purpose of the grant	<p>The purpose of the allocation was to support the establishment and functioning of the Anti-Corruption Task Team (ACTT). The allocation was from the funds in the Criminal Assets Recovery Account (CARA). The ACTT was established with the Directorate of Priority Crimes Investigation (DPCI), the National Prosecuting Authority (NPA) and the Special Investigating Unit (SIU) as the principal members, with the Office of the Accountant-General, the South African Reserve Bank (SARS) and the Financial Intelligence Centre (FIC) as secondary members. The amount paid to the SIU (R59 million), was specifically for the following:</p> <ul style="list-style-type: none"> ■ The acquisition of ICT capabilities, purchasing of technology and equipment and acquiring of facilities and related costs. ■ Training of personnel and acquiring and contracting in additional forensic investigation capacity.
Expected outputs of the grant	The key priority of the ACTT is to ensure that "Corruption within the Justice Crime Prevention and Security Cluster (JCPS) is combatted to ensure effectiveness and the ability to serve as a deterrent against crime.
Actual outputs achieved	n/a
Amount per amended DORA	n/a
Amount received (R'000)	<ul style="list-style-type: none"> ■ R30 million in 2011/12 Financial Year ■ R20 million in 2011/12 Financial Year ■ R9 million in 2013/14 Financial Year
Reasons if amount as per DORA was not received	
Amount spent by the department (R'000)	Of the R59 million received by the SIU, R48 million was spent in supporting the mandate of the ACTT and R11 million was returned to CARA.
Reasons for the funds unspent by the entity	An executive decision was taken by the SIU to return the funds allocated specifically for training of personnel and acquisition of additional forensic investigation capacity.

- ❖ INTEGRITY
- ❖ CO-OPERATION
- ❖ PROFESSIONALISM
- ❖ DRIVE AND PASSION
- ❖ EFFECTIVENESS
- ❖ INDEPENDENCE



5 CAPITAL INVESTMENT

CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The SIU's assets are entered into a fixed assets register that comply with the requirements of the prescribed Generally Recognised Accounting Practice (GRAP) reporting standards. The asset register is reconciled with the general ledger on a monthly basis and an extensive assets count is done once a year.

INFRASTRUCTURE PROJECTS	2016/2017			2015/2016		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	20 000	14 194	5 806	147 217	11 914	135 303
TOTAL	20 000	14 194	5 806	147 217	11 914	135 303





PROFESSIONALISM

CONDUCTING FORENSIC INVESTIGATIONS AND/OR FACILITATING
CIVIL PROCEEDINGS IN A PROFESSIONAL MANNER





POISED TO STRIKE
against corruption

- ❖ INTEGRITY
- ❖ CO-OPERATION
- ❖ PROFESSIONALISM
- ❖ DRIVE AND PASSION
- ❖ EFFECTIVENESS
- ❖ INDEPENDENCE





PART C PROCLAMATIONS

34
40

1 PROCLAMATIONS ISSUED DURING THE PERIOD UNDER REVIEW

2 COMPLETED PROCLAMATIONS

Presidential Reports Submitted in the 2016/2017 Financial Year

2016
2017

PROCLAMATIONS

1 PROCLAMATIONS ISSUED DURING THE PERIOD UNDER REVIEW

❖ PROCLAMATION R17 OF 2016

DATED 15 APRIL 2016

GOVERNMENT GAZETTE NO. 39935

❖ EASTERN CAPE DEPARTMENT OF EDUCATION – EC EDUCATION

It includes the procurement of goods and services in respect of 35 Suppliers by or on behalf of the Department and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department.

❖ PROCLAMATION R18 OF 2016

DATED 15 APRIL 2016

GOVERNMENT GAZETTE NO. 39935

❖ DEPARTMENT OF CORRECTIONAL SERVICES – DCS

It includes irregularities in the procurement of an electronic monitoring system by the Department and payments made in respect thereof and the extension of this contract. It also includes any non-performance or defective performance by the service provider appointed by the Department for the electronic monitoring system.

❖ PROCLAMATION R19 OF 2016

DATED 15 APRIL 2016

GOVERNMENT GAZETTE NO. 39935

❖ CONSTRUCTION INDUSTRY DEVELOPMENT BOARD – CIDB

It includes maladministration in the affairs of the Board in respect of (a) the receipt of, or the processing of, or granting of applications by contractors to the Board for registration as a contractor in the register of contractors contemplated in section 16 of the CIDB Act, 2000 (Act No. 38 of 2000); or (b) contractor grading designations awarded by the Board to contractors. It also includes any (a) failure to implement appropriate measures to safeguard confidential or privileged information or records submitted to the Board; or (b) irregular dissemination of confidential or privileged information or records by officials or employees of the Board to persons or entities who are not lawfully entitled to such information or records; The appointment of a service provider by the Board to a panel of service providers to conduct investigations for the Board; The validity of construction work contracts awarded by the State Institutions to contractors.



❖ PROCLAMATION R20 OF 2016

DATED 15 APRIL 2016

GOVERNMENT GAZETTE NO. 39935

❖ DEPARTMENT OF CORRECTIONAL SERVICES – DCS

It includes the appointment of a service provider by the Department to (a) render project management services relating to the renovations to the Zeerust, Brandvlei, Durban Westville, Johannesburg and St Albans correctional facilities; and (b) conduct condition assessments in terms of the Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007), in respect of 221 correctional facilities, and payments made in respect thereof. It also includes any unlawful, improper or unlawful conduct by officials or employees of the Department or the applicable service provider or any other person or entity and any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department.

❖ PROCLAMATION R21 OF 2016

DATED 15 APRIL 2016

GOVERNMENT GAZETTE NO. 39935

❖ MSUNDUZI LOCAL MUNICIPALITY – MLM

It includes the procurement of, and contracting for security equipment and security services, as envisaged in the Private Security Industry Regulation Act, 2001 (Act No. 56 of 2001), by or on behalf of the Municipality in terms of contract number 23 of 2009 and contract number 23 of 2013, from a service provider and payments made in respect thereof. It also includes any non-compliance by the service provider with its obligations in terms of contract number 23 of 2009 and contract number 23 of 2013 and any unlawful or irregular conduct by the (a) Municipality, the councillors, officials or employees of the Municipality; or (b) service providers, its directors, employees or agents.

PROCLAMATIONS

1 PROCLAMATIONS ISSUED DURING THE PERIOD UNDER REVIEW (CONTINUED)

❖ PROCLAMATION R22 OF 2016

DATED 15 APRIL 2016

GOVERNMENT GAZETTE NO. 39935

❖ DEPARTMENT OF HUMAN SETTLEMENTS, GAUTENG PROVINCE AND LEPELLE NORTHERN WATER – NDOHS AND LEPELLE

It includes the appointment of LTE Consulting (Pty) Ltd (LTE) by the Department to render services to the Department in respect of the Sweetwaters Reticulation Networks and payments which were made by the Department to LTE. It also includes the appointment of LTE by the Lepelle Northern Water to render services to Lepelle in respect of the Mopani Water and Waste Water Emergency Intervention which includes Giyani Water and Waste Water Schemes on a turnkey basis and payments which were made by Lepelle to LTE.

❖ PROCLAMATION R23 OF 2016

DATED 15 APRIL 2016

GOVERNMENT GAZETTE NO. 39935

❖ KWAZULU-NATAL DEPARTMENT OF TRANSPORT – KZN DOT

It includes any conduct by officials or agents of the Department or any other person which relates to the (a) registration or motor vehicle ownership and/or licensing details; or (b) entering of, or changes made to, or tampering with, or manipulation of data and/or information, on the eNaTIS system of the Department which resulted or could potentially result in the circumvention of the payment of licensing fees, any penalties or any other outstanding monies to the Department; or which was otherwise irregular or unlawful.



❖ PROCLAMATION R31 OF 2016

DATED 20 MAY 2016

GOVERNMENT GAZETTE NO. 40004

❖ AMAHLATHI LOCAL MUNICIPALITY – ALM

It includes the procurement of goods, works or services by or on behalf of the Municipality from or with the intervention of Laman Financial Services (Pty) Ltd and payments which were made in respect thereof and y related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality. It also includes any unlawful or irregular conduct by a) the Municipality, councillors, officials or employees of the Municipality; or b) Laman Financial Services (Pty) Ltd, its directors, employees or agents.

❖ PROCLAMATION R32 OF 2016

DATED 20 MAY 2016

GOVERNMENT GAZETTE NO. 40004

❖ INDEPENDENT DEVELOPMENT TRUST, THE DEPARTMENT OF BASIC EDUCATION (DBE) AND THE DEPARTMENT OF EDUCATION FOR THE FREE STATE (DEFS) – IDT

It includes the procurement of, or, contracting for goods, works or services by or on behalf of the IDT, DBE or DEFS and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the IDT, DBE or DEFS in relation to 10 defined projects. It also includes maladministration and/or irregular, improper or unlawful conduct relating to a) the outsourcing of the bid evaluation functions performed in respect of the procurement or supply chain management (SCM) processes; or b) contract and performance management, including any failure to act timeously against contractors, suppliers or service providers for any non-performance, poor performance, defective performance or late performance in respect of goods, works or services delivered, performed or rendered, including the causes of such maladministration and/or irregular, improper or unlawful conduct. It also includes any non-performance, poor performance, defective performance or late performance by contractors, suppliers or service providers of goods, works or services delivered, performed or rendered in respect of the 10 defined projects and any losses or damages suffered by the IDT, DBE or DEFS as a result thereof. It also includes any unlawful, improper or irregular conduct on the part of a) the IDT, DBE or DEFS, their officials or employees; or b) the contractors, suppliers or service providers, their directors, employees, contractors, sub-contractors or agents.



PROCLAMATIONS

1 PROCLAMATIONS ISSUED DURING THE PERIOD UNDER REVIEW (CONTINUED)

❖ PROCLAMATION R59 OF 2016

DATED 14 OCTOBER 2016

GOVERNMENT GAZETTE NO. 40348

❖ GREATER SEKHUKHUNE DISTRICT MUNICIPALITY AND THE ELIAS MOTSOALEDI LOCAL MUNICIPALITY (ELML) – GSDM

It includes the procurement of, or, contracting for goods, works or services by or on behalf of the GSDM and payments which were made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by the GSDM or the State in respect of (a) the supply or delivery of water or water tanking services by or on behalf of the GSDM; (b) the rendering of professional services in respect of a VAT review, compliance audit or debt collection services; (c) the construction of the Jane Furse Command 25ML Reservoir (PH1C); (d) the appointment of Engineering Consultants or the rendering of professional advice or services in respect of technical reports for a specific project; or (e) the rendering of banking services for the GSDM in respect of a Municipal Investment Account. It also includes fraud, corruption, irregularities, malpractices or maladministration in the affairs of the GSDM and EMLM, including the causes of such fraud, corruption, irregularities, malpractices or maladministration and any losses, damages or actual or potential prejudice suffered by the Municipalities or the State.

❖ PROCLAMATION R8 OF 2017

DATED 03 FEBRUARY 2017

GOVERNMENT GAZETTE NO. 40594

❖ MOPANI DISTRICT MUNICIPALITY – MDM

It includes the procurement of, or, contracting for goods, works or services by or on behalf of the MDM and payments which were made in respect thereof, and any related irregular or fruitless and wasteful expenditure incurred by the DM, the relevant local municipalities that fall within the area of the DM or the State, in relation to the supply, construction or commissioning of Ventilated Improved Pit toilets (VIP toilets), which goods, works or services were procured in terms of the Greater Giyani Municipality and the Greater Tzaneen Municipality or the greater area of the Tzaneen Municipality. It also includes maladministration in the affairs of the MDM and any losses or prejudice suffered by the MDM, the relevant local municipalities that fall within the area of the MDM or the State, as a result of such maladministration including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred. It also includes any undisclosed or unauthorised interests which the personnel or their family members may have had in contractors, suppliers or service providers bidding for work or doing business with the MDM or to whom contracts were awarded and the extent of any actual or potential benefits derived directly or indirectly by the personnel or their family members from such undisclosed or unauthorised interests. It also includes losses or prejudice actually or potentially suffered by the MDM as a result of payments made to the applicable contractors, suppliers or service providers. It also includes any improper or unlawful conduct by the personnel or the applicable contractors, suppliers or service providers or any other person or entity in relation to the allegations.

❖ PROCLAMATION R9 OF 2017

DATED 03 FEBRUARY 2017

GOVERNMENT GAZETTE NO. 40594

❖ KWAZULU-NATAL (KZN) PROVINCIAL DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND MJINDI FARMING – KZN DOA

It includes the procurement of, and contracting for fertiliser, seeds or seed potatoes or goods, works or service relating to events or event management by or on behalf of the Department and payments made in respect thereof. It also includes the procurement of, and contracting for agricultural equipment by or on behalf of the institutions and payments made in respect thereof. It also includes any undisclosed or unauthorised interests the board members, directors, officials or employees of the Institutions or any of their family members that may have had with contractors, suppliers or service providers in contracts awarded by or on behalf of the institutions with regard to fertiliser, seeds, seed potatoes, agricultural equipment, agricultural input, food production packs, events or event management. It also includes fraud, corruption, irregularities, malpractices, maladministration in the affairs of the institutions relating to the matters in the schedule including the causes of such fraud, corruption, irregularities, malpractices, maladministration and any losses, damages or actual or potential prejudice which the institutions or the State may have suffered.

❖ PROCLAMATION R10 OF 2017

DATED 03 FEBRUARY 2017

GOVERNMENT GAZETTE NO. 40594

❖ HARRY GWALA DISTRICT MUNICIPALITY – HGDM

It includes the procurement of, and contracting for goods, works or services by or behalf of the Municipality from various contractors and payments which were made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality. It also includes irregularities, malpractices or maladministration in the affairs of the Municipality in relation to an advance payments made by the Municipality to Cyclone Construction. It also includes any unlawful or irregular conduct by the Municipality, councillors, officials or employees of the Municipality relating to these allegations.

PROCLAMATIONS

2 COMPLETED PROCLAMATIONS

PRESIDENTIAL REPORTS SUBMITTED IN THE 2016/2017 FINANCIAL YEAR

Completed Proclamations				
NO	PROCLAMATION NUMBER	DEPARTMENT/ STATE INSTITUTION	SCOPE	DATE REPORT SUBMITTED
1	Proc R62 of 2014	Department of Telecommunications and Postal Services (previously the Department of Communications)	<ul style="list-style-type: none"> ■ The donation of R10 million by the Department towards the hosting or organisation of the Information Communication and Technology (ICT) Indaba which took place from 4 - 7 June 2012- which was organised or facilitated by or through the improper intervention of employees or officials and any related unauthorised, irregular or fruitless and wasteful expenditure incurred or which resulted in the improper enrichment of parties involved in the hosting or organisation of the ICT Indaba. ■ Travel and accommodation expenses or other benefits which were paid by the Department in respect of a person who does not qualify therefore, which was organised or facilitated by or through the improper intervention of employees or officials, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. ■ The recruitment, selection, and appointment of an employee to a position that did not exist in the Communications unit of the Department. ■ Improper or unlawful conduct by an official of the Department which resulted in the Department purportedly breaching a contract concluded between the Department and Gitshasbaya Consulting. ■ Improper or unlawful conduct by employees or officials of the Department or third parties relating to the recruitment, selection, and appointment of the Chief Financial Officer (CFO) of the South African Broadcasting Corporation (SABC) on 14 February 2012. ■ The procurement of goods, works or services by or on behalf of the Department and payments made in respect thereof in relation to the- (a) Nkowankowa event held in Limpopo on 21 June 2013; and (b) World Telecommunications and Information Society Day event held in Richards Bay, KwaZulu-Natal on 17 May 2013, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. 	11 October 2016
2	Proc R63 of 2010	Ekurhuleni Metropolitan Municipality (EMM): Gauteng Province	<ul style="list-style-type: none"> ■ Fruitless and wasteful expenditure and resultant losses suffered by the Municipality due to payments made for goods and services not supplied or rendered or delivered and the duplication of payments due to fraudulent or corrupt involvement by Municipal employees, officials, contractors, service providers and suppliers. 	3 November 2016



Completed Proclamations (Continued)

NO	PROCLAMATION NUMBER	DEPARTMENT/ STATE INSTITUTION	SCOPE	DATE REPORT SUBMITTED
3	Proc R54 of 2012	Department of Water Affairs (formerly the Department of Water Affairs and Forestry) (DWAF)	<ul style="list-style-type: none"> ■ Procurement of and contracting for goods, works or services by or on behalf of the Department and related expenditure incurred. ■ Maladministration in respect of the affairs of the Department and any losses or prejudice suffered by the Department as a result of such maladministration by its officials or employees or its agents in relation to: ■ Variation orders being granted that exceeded the allowable percentage of the original contract price in respect of (i) the Forest Fire Association (WP9191); (ii) Syringa Bioscience (Pty) Ltd (WP9341); (iii) Buca Management and Projects; and (iv) Brainwave CC projects; ■ The appointment of 86 contract labourers (which followed the dismissal of the originally appointed 104 contract labourers) in respect of the Expanded Public Works Programme, which included the construction of infrastructure in the Province of Mpumalanga; ■ The involvement of the Department in (i) the Sundays River Municipality Regional Bulk Water Scheme; and (ii) the Patterson Bulk Water Supply Project; ■ The lease by the Department of the Continental Building in Pretoria; ■ Payments made to TWM Projects (Pty) Ltd; ■ Conflicting interests of the Department's personnel or agents in entities contracting with the Department, including the causes of such maladministration; and ■ Any undisclosed or unauthorised interests the Department's personnel may have had with regard to (a) contractors, suppliers or service providers who bid for work or did business with the Department; or (b) contracts awarded by or on behalf of the Department. 	15 December 2016
4	Proc R38 of 2010	National Department of Public Works (DPW)	<ul style="list-style-type: none"> ■ The incurrence of irregular expenditure and/or fruitless and wasteful expenditure and payment of expenditure not due, owing or payable. 	2 February 2017
5	Proc R598 of 2015	Eastern Cape Department of Education (EC DOE): Siegesmund Trust	<ul style="list-style-type: none"> ■ The procurement of goods and services from Siegesmund Trust by or on behalf of the Department and payments made in respect thereof conducted or facilitated by or through the unlawful, irregular or improper intervention of officials or employees of the Department, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. 	10 March 2017
6	Proc R21 of 2010	Department of Health (GDOH): Gauteng Province	<ul style="list-style-type: none"> ■ Allegations pertaining to procurement irregularities, contrary to legislation, Treasury Practice Notes and the Policies of the Department; ■ The incurrence of unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure and payment of expenditure not due or payable. 	30 March 2017



##DRIVE AND PASSION##

ENSURING THAT ALL OUR TASKS ARE PERFORMED
WITH THE REQUISITE DRIVE AND PASSION





- ❖ INTEGRITY
- ❖ CO-OPERATION
- ❖ PROFESSIONALISM
- ❖ DRIVE AND PASSION
- ❖ EFFECTIVENESS
- ❖ INDEPENDENCE



PART D ONGOING INVESTIGATIONS AND CIVIL MATTERS

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1 ONGOING INVESTIGATIONS

- 1.1 National
- 1.2 Provincial
- 1.3 Local
- 1.4 State-Owned Entities

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2 CIVIL MATTERS

Summary of Civil Litigation Matters

2019

ONGOING INVESTIGATIONS AND CIVIL MATTERS

1 ONGOING INVESTIGATIONS



1.1.1 DEPARTMENT OF CORRECTIONAL SERVICES (DCS)

Proclamation R20 of 2016 published on 15 April 2016.

a. Scope of the investigation

The SIU is required to investigate, for the period 10 May 2013 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The appointment of a service provider by the Department to (a) render project management services relating to the renovations to the Zeerust, Brandvlei, Durban Westville, Johannesburg and St Albans correctional facilities; and (b) conduct condition assessments in terms of the Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007), in respect of 221 correctional facilities, and payments made in respect thereof;
- Any unlawful, improper or unlawful conduct by officials or employees of the Department or the applicable service provider or any other person or entity; and
- Any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department in relation to the allegations.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R65 215 583

c. Proclamation status

Ongoing.

1.1.2 CONSTRUCTION INDUSTRY DEVELOPMENT BOARD (CIDB)

Proclamation R19 of 2016 published on 15 April 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 1 June 2006 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- Maladministration in the affairs of the Board in respect of (a) the receipt of, or the processing of, or granting of applications by contractors to the Board for registration as a contractor in the register of contractors contemplated in section 16 of the CIDB Act, 2000 (Act No. 38 of 2000); or (b) contractor grading designations awarded by the Board to contractors, conducted by or facilitated through the improper conduct of (aa) officials or employees of the Board with undeclared or unauthorised conflict of interests; or (bb) contractors or any other third party, to corruptly or unduly benefit themselves or others; or which was fraudulent;
- Any (a) failure to implement appropriate measures to safeguard confidential or privileged information or records submitted to the Board; or (b) irregular dissemination of confidential or privileged information or records by officials or employees of the Board to persons or entities who are not lawfully entitled to such information or records;
- The appointment of a service provider by the Board, in terms of bid number RFB30026, to a panel of service providers to conduct investigations for the Board over a period of three years and any subsequent work awarded by the Board to the service provider;
- The validity of construction work contracts awarded by the State Institutions to contractors where the State Institutions relied on the unlawful or invalid (a) registration as contractors in the register of contractors; or (b) contractor grading designations awarded by the Board to those contractors;
- Any improper or unlawful conduct by officials or employees of the Board, contractors or any other person, in relation to the allegations.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	16
The number of referrals made to the Relevant Prosecuting Authority	26
The number of referrals made for disciplinary, executive and/or administrative action	49

c. Proclamation status

Ongoing.

1.1.3 DEPARTMENT OF CORRECTIONAL SERVICES (DCS)

Proclamation R18 of 2016 published on 15 April 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 1 June 2011 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- Irregularities in the procurement of an electronic monitoring system by the Department in terms of bids HK 07/2011, HO 06/2013 and HO 01/2014 and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department;
- The extension of the contract awarded in terms of bid HK 07/2011 and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department;
- Any non-performance or defective performance by the service provider appointed by the Department for the electronic monitoring system; and
- Any improper or unlawful conduct, by the employees or officials of the Department, the applicable service provider or any other person or entity.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R365 000 000

c. Proclamation status

Ongoing.

1.1.4 DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM (DRDLR) AND THE SITA

Proclamation R599 of 2015 published on 10 July 2015 amends Proclamation R7 of 2014, published on 14 February 2014

a. Scope of the investigation

The SIU is required to investigate, for the period 1 January 2008 to 14 February 2014, any:

- Theft, fraud, corruption or maladministration in the affairs of the DRDLR in relation to the lodging and processing of deeds on the Deeds Registration System of the Pretoria, Cape Town and Bloemfontein Deeds Registries, or in the processes of requesting for or the giving-out of deeds information, in a manner that was contrary to applicable (a) legislation; or (b) manuals, guidelines, policies, procedures, practice notes, instructions, prescripts or practices of or applicable to the DRDLR, including the causes of such fraud, corruption or maladministration, and any loss, damage or prejudice actually or potentially suffered by the DRDLR or the State;
- The procurement of and contracting for the ICT systems/projects or any goods, works or services in respect of the ICT systems/projects by or on behalf of the institutions, and irregular payments;
- The incurrence of unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure or expenditure not due, owing and payable, as a result of payments which were made by the institutions to the agents of the institutions, the institutions' suppliers and service providers or third parties for or in respect of the ICT systems/projects; and
- Fraud, corruption or maladministration regarding the affairs of the institutions in respect of the ICT systems/projects.

The amendment includes theft, fraud, corruption or maladministration in the affairs of the DRDLR in relation to the lodging and processing of deeds on the Deeds Registration System of the Pretoria, Johannesburg, Cape Town and Bloemfontein Deeds Registries, or in the processes of requesting for or the giving-out of deeds information, including the causes of such fraud, corruption or maladministration and any loss, damage or prejudice actually or potentially suffered by the DRDLR or the State.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	21
The Value of Contract(s) and/or Administrative Decision(s)/Action(s) Set Aside or Deemed Invalid	R651 225 771
The number of referrals made for disciplinary, executive and/or administrative action	12

c. Proclamation status

Ongoing.

ONGOING INVESTIGATIONS AND CIVIL MATTERS

NATIONAL

1.1.5 NATIONAL DEPARTMENT OF PUBLIC WORKS (DPW)

Proclamation R27 of 2015, published on 20 July 2015 extends Proclamation R38 of 2010, published on 30 July 2010

a. Scope of the investigation

The SIU was required to investigate the incurrence of irregular expenditure and/or fruitless and wasteful expenditure and payment of expenditure not due, owing or payable to the Department for the period 1 October 2003 to 30 July 2010, focusing on specific contracts/tenders, leasing of buildings for client departments and Prestige accommodation. The new proclamation extends the period of investigation to 20 July 2015.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	769
The value of money and/or assets potentially recoverable	R11 582 171
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R2 003 828 514
The number of referrals made to the Relevant Prosecuting Authority	11
The number of referrals made for disciplinary, executive and/or administrative action	1

c. Proclamation status

One final report in respect of Proclamation R38 of 2010 was submitted on 2 February 2017. Proclamation R27 of 2015 is ongoing.

1.1.6 DEPARTMENT OF COMMUNICATIONS

Proclamation R62 of 2014, published on 4 September 2014

a. Scope of the investigation

The SIU is investigating the recovery of any losses suffered by the Department, in relation to the following for the period 1 May 2009 to 5 September 2014:

- The donation of R10 million by the Department towards the hosting or organisation of the Information Communication and Technology Indaba which took place from 4 to 7 June 2012;
- Travel and accommodation expenses or other benefits which were paid by the Department in respect of a person who does not qualify therefore;
- The recruitment, selection and appointment of an employee to a position that did not exist in the Communications Unit of the Department;
- Improper or unlawful conduct by an official of the Department which resulted in the Department purportedly breaching a contract concluded between the Department and Gitshasbaya Consulting;
- Improper or unlawful conduct by employees or officials of the Department or third parties relating to the recruitment, selection and appointment of the CFO of the South African Broadcasting Corporation (SABC) on 14 February 2012; and
- The procurement of goods, works or services by or on behalf of the Department and payments made in respect thereof in relation to the Nkowankowa event held in Limpopo on 21 June 2013 and World Telecommunications and Information Society Day event held in Richards Bay, KZN, on 17 May 2013.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	7
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R693 857
The number of referrals made to the Relevant Prosecuting Authority	1
The number of referrals made for disciplinary, executive and/or administrative action	1

c. Proclamation status

The final report was submitted on 11 October 2016.

1.1.7 NATIONAL DEPARTMENT OF PUBLIC WORKS (DPW)

Proclamation R59 of 2014, published on 27 August 2014

a. Scope of the investigation

The SIU is required to investigate the procurement and administration of leases by the Department for the Department or other National Departments and organs of State for whose accommodation needs the Department is responsible; any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. Theft, fraud, corruption, irregularities, malpractices or maladministration in the affairs of the Department in respect of these leases, including the causes of such and any loss, damage or prejudice actually or potentially suffered by the Department or the State for the period 1 June 2003 to 27 August 2014. These are leases concluded with private landlords for and on behalf of the Departments concerned.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	173
The value of money and/or assets potentially recoverable	R63 021 478
The actual value of money and/or assets recovered	R1 729 295
The value of potential loss prevented	R579 562
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R832 910 245
The number of referrals made to the Relevant Prosecuting Authority	19
The number of referrals made for disciplinary, executive and/or administrative action	19

c. Proclamation status

Ongoing.

1.1.8 DEPARTMENT OF TRANSPORT

Proclamation R57 of 2014, published on 01 August 2014

a. Scope of the investigation

The SIU was required to investigate allegations between 10 October 2005 and 1 August 2014 with regard to the extensions by the Department of the Driving License Card Contract RT (G) 6969 SA and the Electronic National Traffic Information System (eNaTIS) Contract RT1194KA, as well as any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department in respect of payments which were made in terms of Change Note 47, dated 11 October 2010.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	4
The Value of Contract(s) and/or Administrative Decision(s)/Action(s) Set Aside or Deemed Invalid	R2 500 000 000
The number of referrals made for disciplinary, executive and/or administrative action	19

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

ONGOING INVESTIGATIONS AND CIVIL MATTERS

NATIONAL

1.1.9 DEPARTMENT OF LABOUR AND THE COMPENSATION FUND

Proclamation R55 of 2014, published on 01 August 2014

a. Scope of the investigation

The SIU was mandated to investigate the following for the period 1 November 2002 to 1 August 2014:

- Compensation claim payments which were made by the Fund and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department and/or the Fund;
- The conclusion by the Department and/or the Fund of a Public Private Partnership Agreement concluded with Siemens Business Services (Pty) Ltd and the validity of the agreement; a Termination Support Agreement concluded with EOH Managed Services Public Sector (Pty) Ltd; and an agreement with the Medical Services Organisation South Africa for claims adjudication and medical service provider processing services; and
- The procurement of goods, works or services by the Department and/or the Fund and payments made in respect thereof, in relation to the RFP for a Turnaround Strategy; and the RFPs for a Forensic Audit.

b. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

1.1.10 UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA (USAASA)

Proclamation R20 of 2014, published on 28 March 2014

a. Scope of the investigation

The SIU is required to investigate the maladministration of the affairs of the Agency in relation to: (a) the recruitment process which resulted in the appointment of the Chief Executive Officer (CEO) of the Agency in 2013; (b) the Agency's funding, by way of a subsidy in the amount of R500 million to a service provider for the construction and expansion of an electronic communication network for Emalahleni Local Municipality (Eastern Cape); and (c) the procurement by the Agency of services in relation to the Rapid Development of Public Access Facilities Programme and payments made in relation thereto.

b. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



1.1.11 DEPARTMENT OF COMMUNICATIONS

Proclamation R10 of 2014, published on 24 February 2014

a. *Scope of the investigation*

The SIU is investigating the validity of the award by the Department of a tender to render services in respect of a public awareness campaign relating to the Broadcasting Digital Migration Process Project (DOC/21/2011/12/C) to Media Corner (Pty) Ltd and the validity of the Memorandum of Agreement (MoA) concluded between the Department and Media Corner on 29 October 2012. The validity of: (a) the implementation of the MoA referred to above; and (b) any payments made in terms of the MoA. The period to be investigated is from 1 February 2012 to 24 February 2014.

b. *Investigation outcomes*

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	9
The Value of Contract(s) and/or Administrative Decision(s)/Action(s) Set Aside or Deemed Invalid	R756 000 000

c. *Proclamation status*

The final report is being prepared and will be submitted in the next financial year.

1.1.12 DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (COGTA)

Proclamation R6 of 2014, published on 06 February 2014

a. *Scope of the investigation*

The SIU is required to investigate the appointment of the South African National Apex Tertiary Co-operative Ltd (SANACO) by the Department to manage and to provide technical support and administration services in respect of the Ward-Based Co-operative Programme of the Department, and payments which were made by the Department in respect of the Ward-Based Co-operatives Programme of the Department. The period to be investigated is from 26 November 2010 to 6 February 2014.

b. *Proclamation status*

The final report is being prepared and will be submitted in the next financial year.

ONGOING INVESTIGATIONS AND CIVIL MATTERS

NATIONAL

1.1.13 DEPARTMENT OF WATER AFFAIRS (DWA)

Proclamation R54 of 2012, published on 21 September 2012

a. Scope of the investigation

The SIU is required to investigate allegations falling within the period 1 January 2004 to 21 September 2012 with regard to the procurement of, and contracting for, goods, works or services by the Department of Water Affairs (DWA), and payments made in relation hereto and any undisclosed or unauthorised interest the DWA's personnel may have had with regard to contractors, suppliers or service providers who bid for work or conducted business with the DWA.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	1

c. Proclamation status

One final report was submitted on 15 December 2016. One investigation is still ongoing.

1.1.14 NATIONAL DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM AND ITS AGENTS (DRDLR)

Proclamation R53 of 2012, published on 21 September 2012

a. Scope of the investigation

The proclamation mandated the SIU to investigate allegations of irregularities in the application, awarding and administration of land restitution claims of funds under the Land Restitution Programme of the DRDLR. The above allegations include possible fraud and corruption levelled against employees of the DRDLR, as well as irregular, unauthorised and fruitless and wasteful expenditure. The period of investigation was from 1 April 2003 to 21 September 2012.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	81
The value of money and/or assets potentially recoverable	R14 770 486
The actual value of money and/or assets recovered	R5 359 248
The number of referrals made to the Relevant Prosecuting Authority	4
The number of referrals made for disciplinary, executive and/or administrative action	11

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



1.1.15 SOUTH AFRICAN POLICE SERVICE (SAPS)

Proclamation R42 of 2010, published on 10 August 2010; extended by Proclamation R73 of 2011, published on 22 December 2011

a. Scope of the investigation

The investigation focused on the Expert and Facility Management Services, specifically 33 SAPS building and/or renovation projects, National Police Day 2009/10 and 2010/11 and other SCM irregularities identified, which occurred in the period January 2005 and August 2010. The period covered by the investigation was extended up to 22 December 2011 by Proclamation R7 of 22 December 2011.

b. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

1.1.16 NATIONAL DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Proclamation R8 of 2011, published on 18 February 2011

a. Scope of the investigation

The proclamation mandated the SIU to investigate allegations of irregularities in the application, awarding and administration of grants and funds under the Land Reform Programme of the DRDLR. Allegations include possible fraud and corruption levelled against employees of the DRDLR, as well as irregular, unauthorised and fruitless and wasteful expenditure. The period of investigation is from 1 January 2006 to 18 February 2011.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	9
The value of money and/or assets potentially recoverable	R34 786 552
The actual value of money and/or assets recovered	R24 766 948
The number of referrals made to the Relevant Prosecuting Authority	17

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



ONGOING INVESTIGATIONS AND CIVIL MATTERS

NATIONAL

1.1.17 SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA ICT)

Proclamation R27 of 2010, published on 08 June 2010

a. *Scope of the investigation*

The proclamation mandated the SIU to investigate:

- The unlawful payment and receipt of social grants in respect of deceased or fictitious persons or by persons who do not qualify for any or all such social grants;
- Allegations that staff of SASSA have undisclosed or unauthorised conflicts of interest with service providers of SASSA;
- Failure by staff of SASSA to disclose that they have engaged in business activities for reward outside their employment with SASSA; and
- The period of investigation is from 15 November 2004 to 08 June 2010.

b. *Proclamation status*

The final report is being prepared and will be submitted in the next financial year.

1.1.18 NATIONAL AND ALL PROVINCIAL DEPARTMENT(S) OF SOCIAL DEVELOPMENT (DSD)

Proclamation R5 of 2007, published on 30 March 2007 extends Proclamation R18 of 2005, published on 06 April 2005

a. *Scope of the investigation*

The proclamation mandated the SIU to investigate the administration of the social grants benefits as a result of concerns of fraud, corruption and maladministration by government officials and/or agents responsible. The period of investigation is from 1 January 2006 to 30 March 2007.

b. *Investigation outcomes*

INDICATOR	R VALUE/NUMBER
The value of money and/or assets potentially recoverable	R52 230

c. *Proclamation status*

The final report is being prepared and will be submitted in the next financial year.



1.2.1 KWAZULU-NATAL (KZN) PROVINCIAL DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT AND MJINDI FARMING – KZN DOA.

Proclamation R9 of 2017 published on 3 February 2017

a. Scope of the investigation

The SIU is required to investigate, for the period 1 February 2011 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The procurement of, and contracting for fertiliser, seeds or seed potatoes or goods, works or service relating to events or event management by or on behalf of the Department and payments made in respect thereof;
- The procurement of and contracting for agricultural equipment by or on behalf of the institutions and payments made in respect thereof;
- Any undisclosed or unauthorised interests the board members, directors, officials or employees of the Institutions or any of their family members that may have had with contractors, suppliers or service providers in contracts awarded by or on behalf of the institutions with regard to fertiliser, seeds, seed potatoes, agricultural equipment, agricultural input, food production packs, events or event management; and
- Fraud, corruption, irregularities, malpractices, maladministration in the affairs of the institutions relating to the matters in the schedule including the causes of such fraud, corruption, irregularities, malpractices, maladministration and any losses, damages or actual or potential prejudice which the institutions or the State may have suffered.

b. Proclamation status

Ongoing.

1.2.2 INDEPENDENT DEVELOPMENT TRUST (IDT), THE DEPT OF BASIC EDUCATION (DBE) AND THE DEPT OF EDUCATION FOR THE FREE STATE (DEFS)

Proclamation R32 of 2016 published on 20 May 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 1 January 2013 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The procurement of, or, contracting for goods, works or services by or on behalf of the IDT, DBE or DEFS and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the IDT, DBE or DEFS in relation to 10 defined projects;
- Maladministration and/or irregular, improper or unlawful conduct in respect of the affairs of the IDT, DBE or DEFS relating to a) the outsourcing of the bid evaluation functions performed in respect of the procurement or supply chain management processes; or b) contract and performance management, including any failure to act timeously against contractors, suppliers or service providers for any non-performance, poor performance, defective performance or late performance in respect of goods, works or services delivered, performed or rendered, in terms of the 10 defined projects, including the causes of such maladministration and/or irregular, improper or unlawful conduct;
- Any non-performance, poor performance, defective performance or late performance by contractors, suppliers or service providers of goods, works or services delivered, performed or rendered in respect of the 10 defined projects and any losses or damages suffered by the IDT, DBE or DEFS as a result thereof; and
- Any unlawful, improper or irregular conduct on the part of a) the IDT, DBE or DEFS, their officials or employees; or b) the contractors, suppliers or service providers, their directors, employees, contractors, sub-contractors or agents, relating to any one of more of the allegations.

b. Proclamation status

Ongoing.



ONGOING INVESTIGATIONS AND CIVIL MATTERS

PROVINCIAL

1.2.3 KWAZULU-NATAL PROVINCIAL DEPARTMENT OF TRANSPORT (KZN DOT)

Proclamation R23 of 2016 published on 15 April 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 1 January 2008 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- Any conduct by officials or agents of the Department or any other person which relates to the (a) registration or motor vehicle ownership and/or licensing details; or (b) entering of, or changes made to, or tampering with, or manipulation of data and/or information, on the eNaTIS system of the Department which resulted or could potentially result in the circumvention of the payment of licensing fees, any penalties or any other outstanding monies to the Department; or which was otherwise irregular or unlawful.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	6
The value of money and/or assets potentially recoverable	R2 221 842
The actual value of money and/or assets recovered	R138 712

c. Proclamation status

Ongoing.

1.2.4 DEPARTMENT OF HUMAN SETTLEMENTS GAUTENG PROVINCE (NDOHS) AND LEPELLE NORTHERN WATER

Proclamation R22 of 2016 published on 15 April 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 1 February 2014 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The appointment of LTE Consulting (Pty) Ltd (LTE) by the Department to render services to the Department in respect of Tender No: G05020078/1 (Tender for Sweetwaters (Kanana Park Ext 6) Reticulation Networks: The Construction of Sweetwaters Reticulation Network for Water and Sewer) and payments which were made by the Department to LTE and any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department; and
- The appointment of LTE by the Lepelle Northern Water to render services to Lepelle in respect of the Mopani Water and Waste Water Emergency Intervention which includes Giyani Water and Waste Water Schemes on a turnkey basis and payments which were made by Lepelle to LTE and any unauthorised, irregular or fruitless and wasteful expenditure incurred by Lepelle.

b. Proclamation status

Ongoing.



1.2.5 EASTERN CAPE DEPARTMENT OF EDUCATION (EC EDUCATION)

Proclamation R17 of 2016 published on 15 April 2016 extends R598 of 2015, published on 10 July 2015

a. Scope of the investigation

The SIU is required to investigate the procurement of goods and services from Siegesmund Trust by or on behalf of the Department and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. The extension includes the procurement of goods and services in respect of 35 Suppliers by or on behalf of the Department and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	20
The value of potential loss prevented	R7 559 994
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R59 261 488
The number of referrals made to the Relevant Prosecuting Authority	5
The number of referrals made for disciplinary, executive and/or administrative action	3

c. Proclamation status

The final report in respect of Proclamation R598 of 2015 was submitted on 10 March 2017. Proclamation R17 of 2016 is ongoing.

1.2.6 DEPARTMENT OF PUBLIC WORKS (DPW): PRESTIGE DIRECTORATE, WESTERN CAPE

Proclamation R44 of 2015, published on 10 December 2015, amends Proclamation R54 of 2014, published on 1 August 2014

a. Scope of the investigation

The procurement of goods and services on behalf of the Department by the Department's Prestige Directorate and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department in relation to 17 Prestige Projects in the Western Cape. It includes the procurement of goods and services in relation to 13 additional Prestige projects in the Western Cape.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R4 738 249

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



ONGOING INVESTIGATIONS AND CIVIL MATTERS

PROVINCIAL

1.2.7 KWAZULU-NATAL PROVINCIAL TREASURY (KZN PROVINCIAL TREASURY)

Proclamation R49 of 2014, published on 24 July 2014, amended by Proclamation R16 of 2015, published on 17 March 2015

a. Scope of the investigation

The SIU is authorised to investigate the appointment by the KZN Provincial Treasury, the Departments and the KZN Sharks Board of a service provider to the "Municipal Infrastructure Crack Team" of the Treasury, the Departments and the KZN Sharks Board to provide services for the Municipal Infrastructure Intervention Programme of the Treasury, and payments made to the service provider. The validity of funding provided by the Treasury in respect of the: (a) "Commemorating Prisoners of War – St Helena" event; (b) Durban International North Sea Jazz Festival; and (c) KZN Sharks Board and any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Treasury in respect of the provision of such funding; any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Departments and the KZN Sharks Board in respect of the funding received from the Treasury. The period of investigation is from 24 May 2012 to 24 July 2014.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of referrals made for disciplinary, executive and/or administrative action	1

c. Proclamation status

The final report was submitted on 11 May 2017.

1.2.8 DEPARTMENT OF PUBLIC WORKS, KWAZULU-NATAL PROVINCE (KZN DPW)

Proclamation R43 of 2010, published on 27 August 2010
Proclamation R49 of 2012 extension, published on 7 September 2012

a. Scope of the investigation

The SIU was mandated to investigate allegations of fraud, corruption, financial mismanagement and other irregularities in the awarding of contracts to consultants and contractors of the KZN DPW during the period 1 January 2005 to 7 September 2012. The investigation focused on the procurement process and alleged manipulation thereof by contractors and KZN DPW officials in order to secure tenders as well as the delivery of services.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of referrals made to the Relevant Prosecuting Authority	8
The number of referrals made for disciplinary, executive and/or administrative action	2

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



1.2.9 LIMPOPO PROVINCE INTERVENTION

Proclamation R21 of 2012, published on 23 March 2012

a. Scope of the investigation

Maladministration of the affairs of the Department(s) of Provincial Treasury; Health and Social Development; Roads and Transport; Education and Public Works in relation to their (a) Cash Management; (b) Supply Chain Management; (c) Contract Management; and (d) Budget preparation and implementation, including the causes of such maladministration.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of referrals made to the Relevant Prosecuting Authority	1
The number of referrals made for disciplinary, executive and/or administrative action	11

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

1.2.10 DEPARTMENT OF HEALTH: GAUTENG PROVINCE (GDOH)

Proclamation R21 of 2010, published on 14 May 2010

a. Scope of the investigation

The matter relates to alleged irregularities regarding the affairs of the GDoH in relation to the procurement of the services of various consultants and contractors. The period of investigation is from 1 January 2006 to 14 May 2010. The investigation covers the following areas:

- Irregular appointment of contractors, suppliers or service providers to render services and/or deliver goods for the project;
- Irregular procurement of goods, works or services in relation to the project (including cover quoting, splitting of orders and evasion of competitive bidding processes);
- Undue/irregular payments made to contractors, suppliers or service providers;
- The State not having received value for money as regards the project; and
- Improper or unlawful conduct by contractors, suppliers or service providers of the Department or other third parties in relation to the project (which would include the undue influence of public representatives or any other person on the project).

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	5
The number of referrals made for disciplinary, executive and/or administrative action	1

c. Proclamation status

The final report was submitted on 30 March 2017.



ONGOING INVESTIGATIONS AND CIVIL MATTERS



1.3.1 HARRY GWALA DISTRICT MUNICIPALITY (HGDM)

Proclamation R10 of 2017 published on 3 February 2017

a. Scope of the investigation

The SIU is required to investigate, for the period 1 January 2010 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Municipality in relation to the said matters in the Schedule.

- The procurement of, and contracting for goods, works or services by or behalf of the Municipality from various contractors and payments which were made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality.
- Irregularities, malpractices or maladministration in the affairs of the Municipality in relation to an advance payments made by the Municipality to Cyclone Construction; and
- Any unlawful or irregular conduct by the Municipality, councillors, officials or employees of the Municipality relating to these allegations.

b. Proclamation status

Ongoing.

1.3.2 MOPANI DISTRICT MUNICIPALITY (MDM)

Proclamation R8 of 2017 published on 3 February 2017

a. Scope of the investigation

The SIU is required to investigate, for the period 1 January 2010 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The procurement of, or, contracting for goods, works or services by or on behalf of the MDM and payments which were made in respect thereof, and any related irregular or fruitless and wasteful expenditure incurred by the DM, the relevant local municipalities that fall within the area of the DM or the State, in relation to the supply, construction or commissioning of Ventilated Improved Pit toilets (VIP toilets), which goods, works or services were procured in terms of the Greater Giyani Municipality and the Greater Tzaneen Municipality or the greater area of the Tzaneen Municipality.
- Maladministration in the affairs of the MDM and any losses or prejudice suffered by the MDM, the relevant local municipalities that fall within the area of the MDM or the State, as a result of such maladministration including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred;
- Any undisclosed or unauthorised interests which the personnel or their family members may have had in contractors, suppliers or service providers bidding for work or doing business with the MDM or to whom contracts were awarded and the extent of any actual or potential benefits derived directly or indirectly by the personnel or their family members from such undisclosed or unauthorised interests;
- Losses or prejudice actually or potentially suffered by the MDM as a result of payments made to the applicable contractors, suppliers or service providers; and
- Any improper or unlawful conduct by the personnel or the applicable contractors, suppliers or service providers or any other person or entity in relation to the allegations.

b. Proclamation status

Ongoing.



1.3.3 GREATER SEKHUKHUNE DISTRICT MUNICIPALITY (GSDM) AND THE ELIAS MOTSOLEDI LOCAL MUNICIPALITY (ELML)

Proclamation R59 of 2016 published on 14 October 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 1 July 2011 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The procurement of, or, contracting for goods, works or services by or on behalf of the GSDM and payments which were made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by the GSDM or the State in respect of (a) the supply or delivery of water or water tanking services by or on behalf of the GSDM; (b) the rendering of professional services in respect of a VAT review, compliance audit or debt collection services; (c) the construction of the Jane Furse Command 25ML Reservoir (PH1C); (d) the appointment of Engineering Consultants or the rendering of professional advice or services in respect of technical reports for a specific project; or (e) the rendering of banking services for the GSDM in respect of a Municipal Investment Account; and
- Fraud, corruption, irregularities, malpractices or maladministration in the affairs of the GSDM and EMLM, including the causes of such fraud, corruption, irregularities, malpractices or maladministration and any losses, damages or actual or potential prejudice suffered by the Municipalities or the State.

b. Proclamation status

Ongoing.

1.3.4 AMAHLATHI LOCAL MUNICIPALITY (ALM)

Proclamation R31 of 2016 published on 20 May 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 1 March 2014 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The procurement of goods, works or services by or on behalf of the Municipality from or with the intervention of Laman Financial Services (Pty) Ltd and payments which were made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality; and
- Any unlawful or irregular conduct by a) the Municipality, councillors, officials or employees of the Municipality; or b) Laman Financial Services (Pty) Ltd, its directors, employees or agents relating to any of the allegations.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The value of potential loss prevented	R14 917 288
The Value of Contract(s) and/or Administrative Decision(s)/Action(s) Set Aside or Deemed Invalid	R107 404 471
The number of referrals made to the Relevant Prosecuting Authority	2

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

ONGOING INVESTIGATIONS AND CIVIL MATTERS



1.3.5 MSUNDUZI LOCAL MUNICIPALITY (MLM)

Proclamation R21 of 2016 published on 15 April 2016

a. Scope of the investigation

The SIU is required to investigate, for the period 7 December 2008 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

- The procurement of, and contracting for security equipment and security services, as envisaged in the Private Security Industry Regulation Act, 2001 (Act No.56 of 2001), by or on behalf of the Municipality in terms of contract number 23 of 2009 and contract number 23 of 2013, from a service provider and payments made in respect thereof, which are fraudulent; or conducted or facilitated by the manipulation of the SCM or procurement processes of the Municipality (i) by the service provider; or (ii) in collusion with or through the intervention of councillors, officials or employees of the Municipality in order to unduly benefit themselves or others, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality;
- Any non-compliance by the service provider with its obligations in terms of contract number 23 of 2009 and contract number 23 of 2013; and
- Any unlawful or irregular conduct by the (a) Municipality, the councillors, officials or employees of the Municipality; or (b) service providers, its directors, employees or agents, relating to any of the allegations.

b. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

1.3.6 BUFFALO CITY METROPOLITAN MUNICIPALITY (BCM)

Proclamation R40 of 2015, published on 12 October 2015

a. Scope of the investigation

For the period 1 February 2008 to 12 October 2015, the SIU is required to investigate the procurement of goods, works or services by or on behalf of the Municipality and payments which were made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in relation to the contracts awarded to Masiqhame Trading 520 CC, for the supply and delivery of black refuse bags to the Municipality and Imvusa Trading 337 CC for the construction of 150 top structures in respect of the Potsdam Unit P Stage 2 Housing Project.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	2

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



1.3.7 GREATER TUBATSE LOCAL MUNICIPALITY

Proclamation R52 of 2014, published on 1 August 2014

a. Scope of the investigation

For the period 11 March 2004 to 1 August 2014, the SIU was mandated to investigate (a) the procurement of goods, works or services by or on behalf of the Municipality; (b) fruitless and wasteful expenditure incurred by the Municipality through a settlement paid to Phambili; (c) the award of contracts by the Municipality to suppliers in which individuals in the service of the State held interests; (d) and the failure by the Municipality to collect money due and owing by its debtors in respect of a cost order made in favour of the Municipality by the North Gauteng High Court and municipal services rendered.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of referrals made for disciplinary, executive and/or administrative action	2

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

1.3.8 VHEMBE DISTRICT MUNICIPALITY

Proclamation R51 of 2014, published on 1 August 2014

a. Scope of the investigation

The SIU was mandated to investigate for the period 1 May 2010 to 1 August 2014: (a) the procurement of goods, works or services by or on behalf of the Municipality; (b) the misappropriation of funds and the incurrence of wasteful expenditure or expenditure in relation to payments made to its contractors, suppliers or service providers; and (c) the award of contracts by the Municipality to suppliers in which individuals in the service of the State held interests.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of referrals made to the Relevant Prosecuting Authority	3
The number of referrals made for disciplinary, executive and/or administrative action	2

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

ONGOING INVESTIGATIONS AND CIVIL MATTERS



1.3.9 BUSHBUCKRIDGE LOCAL MUNICIPALITY: MPUMALANGA PROVINCE

Proclamation R8 of 2014, published on 14 February 2014

a. *Scope of the investigation*

The SIU was mandated to investigate the following for the period 1 May 2010 to 14 February 2014:

- The procurement of goods, works or services by or on behalf of the Municipality in a manner that was not fair, equitable, transparent, competitive or cost-effective and contrary to applicable legislation, manuals, guidelines, practice notes, instructions, codes, policies, procedures, prescripts issued by National Treasury or the Provincial Treasury or the Municipality;
- Any undisclosed or unauthorised interests the personnel of the Municipality may have had with regard to contractors, suppliers or service providers bidding for work or doing business with the Municipality or contracts awarded by or on behalf of the Municipality;
- The misappropriation of funds and the incurrence of wasteful expenditure or expenditure not due, owing or payable by the Municipality in relation to payments made to its contractors, suppliers or service providers; and
- The irregular issuing of motor vehicle licences and registration certificates by the personnel of the Municipality.

b. *Proclamation status*

The final report is being prepared and will be submitted in the next financial year.

1.3.10 EKURHULENI METROPOLITAN MUNICIPALITY (EMM): GAUTENG PROVINCE

Proclamation R63 of 2010, published on 8 November 2010

a. *Scope of the investigation*

The SIU was mandated to investigate allegations of irregularities in the EMM, which include:

- The irregular procurement of goods, works or services by or on behalf of the Municipality and payments made in respect thereof; and
- The mismanagement of finances or assets of the Municipality in respect of:
 - payments made for goods not supplied or works or services not rendered;
 - payments made under maintenance contracts in respect of equipment never delivered or not commissioned; or
 - duplication of payments to contractors, suppliers or service providers; and
 - the fraudulent and corrupt involvement of officials or employees of the Municipality or contractors, suppliers or service providers of the Municipality, in the making of such payments.

b. *Proclamation status*

The final report was submitted on 3 November 2016.



1.3.11 TSHWANE METROPOLITAN MUNICIPALITY (TMM): GAUTENG PROVINCE

Proclamation R62 of 2010, published on 8 November 2010

a. Scope of the investigation

The SIU was mandated to investigate allegations of irregularities at the TMM, which include:

- The recruitment, selection and appointment of staff into positions that they are not qualified for or otherwise best suited for;
- Mismanagement of funds and of the affairs of municipal entities of the Municipality;
- Fruitless and wasteful expenditure incurred by the Municipality;
- The irregular procurement of goods or services by or on behalf of the Municipality or its municipal entities;
- The mismanagement of the finances, assets or other resources of the Municipality; and
- Alleged interference by the City Manager in pending disciplinary proceedings against employees.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of investigations closed out	63
The number of referrals made to the Relevant Prosecuting Authority	1
The number of referrals made for disciplinary, executive and/or administrative action	1

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.

1.3.12 NORTH WEST PROVINCE MUNICIPALITIES (NWM)

Proclamation R72 of 2009, published on 10 November 2009

a. Scope of the investigation

The SIU was mandated to investigate allegations of irregularities in the NWM, which include:

- The appointment, extension of appointment, and promotion of municipal staff contrary to the prescripts of applicable law and municipal policies and procedures;
- The external manipulation of, and undue preference in the appointment and promotion of municipal staff;
- The disproportionate appointment and excessive remuneration of municipal staff;
- The appointment and disproportionate remuneration of under-qualified and unsuitable candidates in municipal staff establishments;
- The remuneration of non-performing and underperforming municipal staff without taking appropriate disciplinary steps against such staff;
- Losses of municipal funds due to theft, fraud and misallocation;
- Disproportionate, wasteful and irregular expenditure of municipal funds;
- Mismanagement of expenditure of municipal funds and resources, and the accumulation of municipal debt;
- Losses to municipalities caused by inadequate management of and control over municipal contracts and resources;
- The procurement and alienation of goods and services contrary to the provisions of the MFMA and other applicable laws, as well as municipal policy and procedures;
- The alienation of municipal land contrary to the provisions of section 14 of the MFMA, and not by way of a fair, competitive, equitable, transparent and cost-effective process;
- Interference by councillors in the administration of municipal affairs in contravention of the applicable provisions of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and the MFMA;
- The misuse and misappropriation of funds deriving from the Municipal Infrastructure Grant (MIG); and
- The misuse of municipal resources for private benefit.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The number of referrals made to the Relevant Prosecuting Authority	7

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



ONGOING INVESTIGATIONS AND CIVIL MATTERS

STATE-OWNED ENTITIES

1.4.1 THE STATE INFORMATION TECHNOLOGY AGENCY (PTY) LTD (SITA)

Proclamation R53 of 2014, published on 1 August 2014,
amended by Proclamation R15 of 2015, published on 17 March 2015

a. Scope of the investigation

The initial proclamation determined the period of investigation to commence on 8 September 2012 and end on 1 August 2014, and included payments which were made by the SITA to International Business Machines (IBM) in terms of an agreement dated 30 April 2013. The 2015 Proclamation amends the period of investigation to 3 August 2012 until 17 March 2015. The schedule was also amended to include any reference to:

- A "contract", which means any (i) Integrated Supply Agreement, (ii) Strategic Relationship Document of Understanding, (iii) Enterprise Licence Agreement, (iv) Enterprise Software Solution Offering, (v) Enterprise Software and Services Option or (vi) Service Level Agreement;
- "Contracting", which includes, but is not limited to, any negotiation processes involving a contract, the conclusion and signing of a contract and any novation, renewal, variation, extension, amendment, cancellation or termination of a contract;
- "IBM", which refers to the International Business Machines Corporation and Subsidiary Companies, including IBM SA (Pty) Ltd (Registration No.: 1952/000308/07);
- "iFirm", which refers to iFirm Consulting (Pty) Ltd (Registration No.: 2012/226990/07);
- "iFirm contracts", which refers to the agreements between the SITA and iFirm dated 4 April 2014 and 21 May 2014;
- "Personnel of a State institution", which includes any member of a board, director, official, officer, employee, member, agent, vendor, contractor or sub-contractor, supplier or service provider of a State institution;
- "Personnel of IBM", which includes any member of the board, director, employee, member, agent, vendor, contractor, sub-contractor, supplier or service provider of IBM;

- "Personnel of iFirm", which includes any member of the board, director, employee, member, agent, vendor, contractor, sub-contractor, supplier or service provider of iFirm;
- "Personnel of the SITA", which includes any member of the board, director, official, officer, employee, member, agent, vendor, contractor, sub-contractor, supplier or service provider of the SITA;
- "Solution", which refers to (i) the provision of any cloud infrastructure services solution, (ii) the provision of any goods, works or services, as envisaged in Tender RFB 989/2012, or (iii) any integrated procurement model for any government department or State institution; and
- "State institution"; which means any (i) department for whose procurement the SITA is responsible, as envisaged in the SITA Act, Act No. 88 of 1998 or (ii) public body which requested the SITA to procure goods, works or services on behalf of the public body, as envisaged in the SITA Act.

b. Investigation outcomes

INDICATOR	R VALUE/NUMBER
The value of potential loss prevented	R83 470 380

c. Proclamation status

The final report is being prepared and will be submitted in the next financial year.



1.4.2 ESKOM HOLDINGS LTD

Proclamation R2 of 2012, published on 7 February 2012

a. *Scope of the investigation*

The SIU was required to investigate allegations falling within the period 1 January 2006 and 7 February 2012 with regards to:

- Procurement of helicopter services in the Eastern Cape;
- Any undisclosed or unauthorised interest which the board members, officials or employees of Eskom may have had in contractors, supplies or services providers of Eskom;
- The procurement of coal supplies;
- The procurement of coal transportation services; and
- The procurement of fencing in excess of the need for such work, goods or services.

b. *Proclamation status*

The final report is being prepared and will be submitted in the next financial year.



ONGOING INVESTIGATIONS AND CIVIL MATTERS

2 CIVIL MATTERS

SUMMARY OF CIVIL LITIGATION MATTERS

Update on Civil Matters					
NO	PROC NUMBER	DEPT/STATE INSTITUTION	CIVIL MATTER DESCRIPTION	STATUS	VALUE
1	R59 of 2013	National Dept of Public Works: Prestige Project: Nkandla KwaZulu-Natal	Action proceedings were instituted in the High Court to claim back a loss of R155 million suffered by the State due to the conduct of the principal agent overseeing the security upgrades at Nkandla.	Pleadings have closed. The SIU served its discovery affidavit (92 000 pages). The next step is the pre-trial conference, whereafter the matter will go to trial.	R155 million
2	R5 of 2014 amended by R56 of 2014	South African Post Office ("SAPO")	An application has been lodged in the High Court to review the awarding of a lease to Centurion Vision Development (Pty) Ltd and to set aside the resulting 10 year lease agreement. The matter is opposed by the Respondents.	The pleadings have not yet closed.	R778 million
3	R21 of 2012	Limpopo Province Intervention: Provincial Treasury; Health and Social Development; Roads and Transport; Education and Public Works	Sankhya Learning Private Limited instituted action proceedings in the High Court against the Limpopo Department of Education. The SIU investigations revealed that there was non-compliance with public sector procurement prescripts. The SIU successfully applied to be joined as a Defendant in this matter.	Pleadings are still being exchanged and the matter is not yet ready for trial.	R85.5 million
4	R53 of 2014 amended by R15 of 2015	State Information Technology Agency ("SITA")	The iFirm contract of R302m was investigated and the matter is in court in order to declare the contract invalid and to set the contract aside.	Proceedings are delayed by an appeal to the Supreme Court of Appeal in another SITA-matter where the same technical issue raised in the iFirm case, is the subject matter of the Appeal. The matter is currently postponed sine die pending the ruling by the Supreme Court of Appeal.	R302 million
5	R10 of 2014	Dept of Communications (Media Corner)	In September 2016, the High Court ruled that the awarding of a tender by the Department of Communications to Media Corner was invalid. The second leg of the matter, consequential relief in the form of a just and equitable order, aimed at the repayment of overpayments is now being pursued.	The matter is almost ready for trial, but a trial date has not yet been applied for.	R752 million
6	R7 of 2014 amended by R599 of 2015	Dept of Rural Development and Land Reform and the SITA	An application was brought in the High Court to challenge the award of a tender to Gijima to provide services to the Department of Rural Development and Land Reform. In September 2016 the court found the award to be invalid.	The second leg of the matter, which is the consequential relief of recovering overpayments, is still ongoing and not yet ready for trial.	R364 million
7	R54 of 2014 amended by R44 of 2015	National Dept of Public Works: Prestige situated in the Western Cape	Action proceedings were instituted in the High Court to claim back certain payments that a contractor was not entitled which were claimed for and which were incorrectly allowed/condoned.	The matter is proceeding.	R4.7 million
8	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	Lebombo Border Post – An application was lodged to seek a declaratory order setting aside the contract awarded on the basis that the award was in violation of the Constitution. The prayer for relief also seeks to recover R103 million which it is alleged amounts to an overpayment.	All applicants are opposing the matter and have served notices seeking documentation. Currently these notices are being dealt with. The matter is accordingly not yet ready for trial.	R1.9 billion

Update on Civil Matters

NO	PROC NUMBER	DEPT/STATE INSTITUTION	CIVIL MATTER DESCRIPTION	STATUS	VALUE
9	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	Skilpadshek Border Post – The action seeks to recover R50.8 million that was an overpayment to the contractor. The matter was before court from 31 Oct 2016 to 11 Nov 2016.	The matter is currently part heard and a new date of set down is awaited.	R50.8 million
10	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	Union Building – The SIU is assisting the Department in defending an action brought by the Plaintiff for the recovery of outstanding amounts due for work allegedly completed. The SIU assisted in providing the evidential material required for compiling the plea and counterclaim.	The plaintiff has now raised several exceptions, but has not yet set these exceptions down for hearing.	R54 million
11	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	This is an action that was instituted by DPW seeking the cancellation of 4 leases concluded with a Mr Mia and or his associated companies together with a claim for damages.	Pleadings have closed and a trial date has been applied for.	R8 million
12	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	Empangeni Ramp – Application to recover overpayments and damages based on fraud, alternatively negligence.	Proceedings have been delayed by interlocutory applications. These have now been dealt with and the defendants have been placed on terms to file their plea.	R11.6 million
13	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	Salu Lease – Papers have been issued in the North Gauteng High Court and filed on the respondents. The landlord is opposing the Application. DPW has chosen to comply with whatever decision the Court makes.	The SIU is required to file the record whereafter the landlord is obliged to file its answering affidavit.	R151 million
14	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	Wachthuis Lease – Papers have been issued in the North Gauteng High Court and filed on the respondents. The landlord is opposing the Application. DPW has chosen to comply with whatever decision the Court makes.	The SIU is required to file the record whereafter the landlord is obliged to file its answering affidavit.	R600 million
15	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	A summons was issued in the High Court, Gauteng Division. The SIU intends to recover an amount which was overpaid by the Department in the bona fide and reasonable, but mistake, belief that such amount was due, owing and payable to the defendants.	The matter is being defended.	R3 million
16	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	A summons was issued in the High Court, Gauteng Division. The SIU intends to recover an amount which was overpaid by the Department in the bona fide and reasonable, but mistake, belief that such amount was due, owing and payable to the defendants.	The matter is being defended.	R704 762
17	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	A summons was issued in the High Court, Gauteng Division. The SIU intends to recover an amount which was overpaid by the Department in the bona fide and reasonable, but mistake, belief that such amount was due, owing and payable to the defendants.	The matter is being defended.	R111 050
18	R38 of 2010 extended by R27 of 2015	National Dept of Public Works	A summons was issued in the High Court, Gauteng Division. The SIU intends to recover an amount which was overpaid by the Department in the bona fide and reasonable, but mistake, belief that such amount was due, owing and payable to the defendants.	The matter is being defended.	R6.8 million





“EFFECTIVENESS”

ALIGNING AND IMPROVING SYSTEMS AND PROCESSES TO CONVERT MINIMUM
RESOURCES INTO MAXIMUM RESULTS WITHIN THE SHORTEST POSSIBLE TIME





POISED TO STRIKE
against corruption

- ❖ INTEGRITY
- ❖ CO-OPERATION
- ❖ PROFESSIONALISM
- ❖ DRIVE AND PASSION
- ❖ EFFECTIVENESS
- ❖ INDEPENDENCE





PART E GOVERNANCE

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1 ENTERPRISE WIDE RISK MANAGEMENT

2 FRAUD AND CORRUPTION

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- 8.2 Audit Committee Responsibility
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2017

GOVERNANCE

1 ENTERPRISE WIDE RISK MANAGEMENT

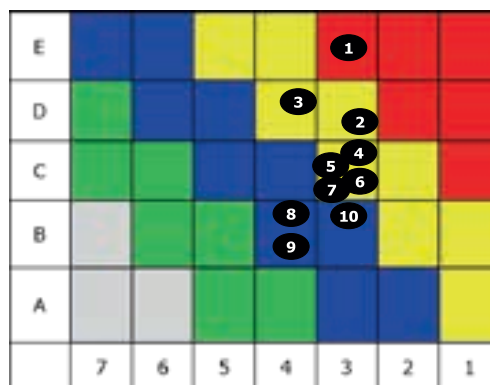
A Risk Management Committee is in place and is led by an independent chairperson. In addition, efforts are underway to ensure that risk management and related processes are embedded into the operation of the unit. Each unit also has a duly appointed Risk Champion to ensure effective management of operational risks.

The leadership and staff of the SIU have discussed the risks facing the organisation and have participated in a risk review workshop with the purpose of identifying and assessing the risks that are envisaged in future. These risks have been specifically highlighted as they could potentially affect the SIU's ability to achieve its strategic and business plan objectives. Risks were identified from both a high-level strategic and a more detailed operational perspective.

Top Risks

1. Inability to achieve targets as per the APP and strategic plan
2. Non implementation of remedial actions by the NPA and other state institutions
3. Inability to cooperate effectively with other law enforcement entities which delays the investigations
4. Competition with the private sector (those cases where the state institutions want quick turn around impacts from investigations)
5. Delays in Civil Litigation process
6. Low Proclamation flow
7. Inability to collect revenue (high debtors book)
8. Ineffective stakeholder management
9. Non compliance with applicable legislation
10. Inability to provide security over SIU critical information

Heat Map



2 FRAUD AND CORRUPTION

The Internal Integrity Unit (IIU) has developed the Anti-Corruption plan and monitors the progress made in implementing the plan. The IIU is involved in all four areas that constitute the plan: prevention, detection, investigation and resolution.

2.1 PREVENTION

2.1.1 Ethical Culture

Integrity is connected to good governance and refers to the submission of values, principles and norms in the business operations of unit. In achieving a culture of integrity, an institution needs a coherent system of integrity management systems which must be monitored and enforced daily. It also requires the unit to anticipate risks and apply countermeasures. The Executive Committee (EXCO) and senior management plays an important role in setting the tone with regard to policies and practices and developing an internal culture of ethical performance.

2.1.2 Screening

All applicants for vacancies in the SIU are screened by IIU to protect and secure information, personnel, assets and resources. More importantly, it is necessary to consider both the quality and suitability of employees in order to further the SIU's mandate.

2.1.3 Good Governance

The Head of IIU reports directly to the Head of the Unit and any transgressions are reported to the Audit Committee. The Head, Internal Audit, Risk and Governance reports to HoU administratively and functionality to the Audit Committee.

2.1.4 Training and Awareness

In order to reiterate the commitment towards a zero tolerance for fraud and corruption, SIU rolled out "Giving a voice to our value" workshops in all regions. Employees are trained on policies and procedures, ethics awareness, good governance measures and where to report unethical transgressions. As part of the comprehensive communication and awareness campaign on Anti-Corruption and ethics issues, bi-weekly SIU disseminates communique regarding corruption, fraud and unethical behaviour. IIU has established partnerships with organised stakeholders in the business and civil society sectors, to curb corrupting practices wherein members of these sectors are trained on ethics and integrity.

2.1.5 Physical and Information Security

Security vetting is the systematic process of investigation in determining a person's security competence. IIU arranges vetting of all SIU officials and service providers. IIU in partnership with SSA train SIU members with the Minimum Information Security Standards (MISS).

2.1.6 Employee Vetting

IIU arranges vetting of all SIU officials and service providers. IIU in partnership with SSA train SIU members with the MISS.



2.2 DETECTION

2.2.1 Corruption Databanks

IIU plays a vital role in detecting fraud and corruption from the following sources, Ethics and culture surveys, service delivery reports, complaints reports, audit reports, hotline findings, investigation reports, trend analysis, submission of annual declarations and potential and conflicts of interest. Any transgression is reported to the oversight bodies, SAPS, SSA and/or referred internally for investigation.

2.1.2 Whistle-blowing and reporting mechanisms

The most effective way of detecting corruption is when SIU officials are provided with mechanisms to report corrupt activities anonymously

- Internal reporting mechanisms (such as the hotline, the ethics@siu.org.za email, post and fax lines).
- Members can also report as alluded in the Protected Disclosures Act 26 of 2000.
- Members can report directly to IIU, HR and line managers.

2.3 INVESTIGATION

Investigation remains the core competency of the IIU. The IIU investigates fraudulent and corrupt practices and therefore deters future corrupt practices. The Head of IIU receives the mandate from the Head of the Unit to investigate internal matters. The Head of IIU provides the reports to Head of the Unit and supports the resolution of cases. The reports are also made available to the internal audit unit. However, it is important to highlight that IIU is also responsible for proactive measures as follows:

- To facilitate fraud risk assessments that are aimed at identifying and addressing fraud and corruption risks which have an impact on the achievement of the objectives of the unit.

2.4 RESOLUTION

When disciplinary matters are detected, an internal investigation takes place after which the Disciplinary Committee (DC) decides whether to proceed with disciplinary action or not. The internal integrity officer who investigates a matter will testify in the disciplinary hearing. IIU members also serve other members with suspension letters and in recovering unit property such as laptops etc. If the matter is of a criminal nature (such as fraud) the IIU will report it to the SAPS on instruction from the Head of the Unit. IIU also advises the unit with implementation of improved controls, arranging for civil recovery and criminal prosecution and explore the possibility of making related recoveries by engaging other agencies.

3 MINIMISING CONFLICT OF INTEREST

SIU employees are expected to exercise good judgement and highest ethical standards in their activities on behalf of the unit and be mindful of their activities outside the unit.

4 CODE OF CONDUCT

The unit is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and

interactions. Our values create the moral and ethical compass that guides us as we pursue our mandate with integrity and honesty. To this end, the Code of Conduct serves to define the type of institution that the SIU aspires to be, how we engage with each other and other stakeholders, and how we deliver value added services.

The SIU currently has drafted a code of business conduct to align the SIU to best practices in a changing world. This code is due to be presented at the SIU policy workshop for discussion and or adoption.

5 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

This was another safe year for the organisation with only five minor incidents reported. The Occupational Health and Safety Representatives conducted necessary investigations to ensure that the causes of the problems were identified and eliminated where possible. These incidents were registered with the Department of Labour.

MALE	FEMALE	AFRICAN	COLOURED	INDIAN	WHITE
0	5	4	0	1	0

6 PORTFOLIO COMMITTEES

The SIU is accountable to the National Assembly through the Portfolio Committee on Justice and Constitutional Development. In the financial year 2016/17, the SIU appeared twice at the Portfolio Committee to present the Strategic Plan 2015-2020, the Annual Performance Plan with the Budget on the 06 April 2016 and the tabling of the 2015/16 Annual Report was held on the 18 October 2016. Generally, the portfolio committee noted the progress made by the new Head of the Unit, Adv. Andy Mothibi, however raised concerns on irregular expenditure indicating that the SIU should lead by example. The SIU was further encouraged to capacitate itself with skilled staff to ensure its effectiveness.

7 SCOPA RESOLUTIONS

As part of the ACTT, the SIU was invited to attend a briefing by Standing Committee on Public Accounts (SCOPA) on the 14 September 2016. The aim was to play an oversight role on the ACTT activities, understand the role played by the member organisations and to ensure that there's synergy amongst these law enforcement agencies to fight corruption. SIU continues to play a key role as a member of the ACTT.



AUDIT COMMITTEE REPORT

8 AUDIT COMMITTEE REPORT

8.1 REPORT OF THE AUDIT COMMITTEE FOR THE SIU

We are pleased to present our report for the financial year ended 31 March 2017.

Introduction

The SIU has an Audit Committee which is consisting of four Audit Committee members while it is supported by three sub-governance committees as per the table below.

NO.	MEETING NAME	NO OF MEETINGS
1	Audit Committee	5
2	Risk Management Committee	3
3	Human Resource Management Committee	3
4	IT Governance Committee	3

8.2 AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein and the related accounting policies and practices.

Stakeholder Engagement/s

The committee has been able to engage with the following stakeholders:

- Internal Audit and Risk and Governance (SIU)
- Office of the Auditor-General (AGSA)

Audit Committee Skills Development

A high level induction session was held during the second quarter of the financial year to assist the Audit Committee members better understand the SIU business and its challenges when it comes to operations.

8.3 INTERNAL AUDIT

The Effectiveness of Internal Control

During the review period, the Internal Audit department continued to provide the Audit Committee and management with independent information and assurances on the effectiveness of the internal controls, for those areas examined in terms of the Internal Audit Plan based on the risk assessment. The internal audit function was co-sourced during the year and led by a newly appointed Head Internal Audit, Risk and Governance.

A three year Internal Audit Rolling plan was developed through analysing the top 10 strategic risks, of which the first year of execution is underway.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the SIU revealed control weaknesses, which were raised with the SIU.

The following internal audit work was completed during the year under review

NO.	AUDIT NAMES	FROM	TO	STATUS
1	Performance Review (EEE)	01 August 2016	30 September 2016	Completed
2	Performance Information	Quarterly		Two Completed
3	Supply Chain Management	01 August 2016	30 September 2016	Completed
4	Revenue Collection	01 October 2016	15 November 2016	Completed
5	Governance Review	20 January 2017	28 February 2017	Completed
6	Human Resources	15 September 2016	30 October 2016	Completed
7	Screening and financial interest disclosure	15 February 2017	30 March 2017	Completed
8	Adhoc's Investigations	01 April 2016	31 March 2017	Completed
9	Follow Up Reviews	01 April 2016	31 March 2017	Ongoing

The following were areas of concern:

Although the SIU does have a performance management system in place to measure and monitor performance, there were no individual performance contracts to measure the performance of employees and this is one of the material control weaknesses that was identified also by Auditor-General in the previous financial year that has not been resolved yet. As a result the Audit Committee will continue to monitor management's action plan in response to all unresolved findings from Auditor-General and from Internal Audit division.

Risk Management

The SIU has appointed an independent Risk Management Committee Chair as from 01 March 2016. The objective was to ensure that a non-conflicted party chairs the Risk Committee. It is vital however to point out that there is a risk assessment process in place as well as the resultant strategic and operational risk registers. The risk management framework and standards were also developed and approved for the unit. The top 10 risks are monitored by the Risk Management Committee and ratified by the Audit Committee on a quarterly basis; with special attention paid to remedial actions and residual risk exposures.

In-Year Management and Monthly/Quarterly Report

The SIU has reported monthly and quarterly to the National Treasury as is required by the PFMA. In addition at all audit committee meetings the SIU has presented quarterly reports for review and or consideration by the Audit Committee.

Evaluation of Financial Statements

We reviewed the Annual Financial Statements prepared by the SIU at the audit committee meeting held on 26 May 2017, and recommended them for audit.

Evaluation of Performance Information

At the same audit committee meeting we evaluated performance information tables and recommended them for audit after further refinement by management.

Auditor General's Report

We have reviewed the SIU implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved.

Finally the Audit Committee notes with great joy the Auditor-General Audit Opinion on the annual financial statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General. The Committee has also reviewed the performance information as included in the Auditor General report together with the management letter and has congratulated the Accounting Authority and challenged him to develop a strategy to maintain this excellent performance.



Chairperson of the Audit Committee
Ms B Ngunjiri – Chairperson

31 July 2017





##INDEPENDENCE##

ACTING WITHOUT FEAR,
FAVOUR OR PREJUDICE





- ❖ INTEGRITY
- ❖ CO-OPERATION
- ❖ PROFESSIONALISM
- ❖ DRIVE AND PASSION
- ❖ EFFECTIVENESS
- ❖ INDEPENDENCE



PART F HUMAN RESOURCE MANAGEMENT

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- 3.4 Employment Equity
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2016/17

HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

The key drive for the organization during the year has been on ensuring that all business units focus on programmes that will improve the overall performance of the organization. That was achieved as reflected on the performance targets attained this year. To this end Human Resources embarked on a huge and focused training and development drive which saw the majority of staff across all levels in the organization attending targeted training and development programmes which were aimed at enhancing critical skills required by the organization.

Another key focus area for HR was to ensure that staff remain highly engaged and motivated. This was achieved through continued open communication, transparency and engagement of staff through various communication channels and governance structures.

2 OVERVIEW OF HUMAN RESOURCES

The following were some of the key achievements:

- Key appointment – the following critical appointments were made during the year: Projects Director, Head of Stakeholder Management, Chief Financial Officer (on Contract) and four Senior Forensic Lawyers.
- A new induction programme has been developed and will be launched in the 2017/18 financial year. The programme features an induction brochure with policies as well as an on line policy training course.

- HR policies – the following HR policies were approved and implemented – Performance Appraisal policy, Training & Development policy, Terminations policy and Leave policy.
- Through the EU/PSETA dialogue on the implementation of the bilateral agreement between South Africa and the EU on Trade, Development and Co-operation; the SIU has been paired with the French Embassy regarding capacity development on critical skills requirements identified during the EU Dialogue. We started with the planning for the implementation of the Cyber Forensics First Responder training for about 350 employees which will take place in the next financial year.
- A total of 110 bursaries were offered to employees at various levels of study in the fields of Forensic Investigations, Forensic Accounting and Law amongst others.
- In line with the requirements of the Skills Development Act a Skills Development Committee was established.
- The Employee Wellness Programme hosted amongst other initiative successful Men's and Woman's Health awareness days.
- An annual training plan and annual training report was prepared and submitted to the PSETA.
- An Employment Equity plan was prepared and submitted to the Department of Labour.



3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

3.1.1 Personnel expenditure programme

Programme	Personnel expenditure (R'000)	Total employee count for the period	Average personnel cost per employee (R'000)
Business Management	17,324	22	787
Business Operations	262,263	418	627
Business Support	37,215	101	368
Total	316,802	541	586

Note: Employee related costs are as per the Payroll system and does not include leave pay accrual and other provisions included in the total employee related costs in the AFS.

3.1.2 Personnel cost by occupational level

Occupational level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost	Total employee count for the period	Average personnel cost per employee (R'000)
Top Management	2,016	1%	1	2,016
Senior Management	36,451	12%	29	1,257
Professional Qualified	156,401	49%	183	855
Skilled	92,299	29%	185	499
Semi-skilled	28,057	9 %	131	214
Unskilled	1,578	0 %	12	132
Total	316,802	100 %	541	586

3.2 EMPLOYMENT AND VACANCIES

3.2.1 Employment and vacancies by programme as on 31 March 2017

Programme	Number budgeted	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Business Management	25	22	12%	0
Business Operations	452	404	11%	0
Business Support	123	97	21%	0
Total	600	523	13%	0

3.2.2 Employment and vacancies by occupational levels as on 31 March 2017

Occupational level	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Top Management	1	1	0%	0
Senior Management	40	28	30%	0
Professional Qualified	201	175	13%	0
Skilled	210	178	15%	0
Semi-skilled	136	129	5%	0
Unskilled	12	12	0%	0
Total	600	523	13%	0



HUMAN RESOURCE MANAGEMENT

3.3 EMPLOYMENT CHANGES

3.3.1 Annual turnover rates by occupational level

Occupational level	Number of employees at beginning of period – 1 April 2016	Appointments	Terminations	Turnover rate
Top Management	0	1	0	0
Senior Management	23	3	1	4%
Professional Qualified	183	3	10	5%
Skilled	182	2	6	3%
Semi-skilled	132	0	2	2%
Unskilled	12	0	0	0
Total	532	9	19	4%

Note: The difference between the closing balance of 534 as reflected in the 2015/16 annual report and the opening balance as reflected in the table above is as a result of two skilled employees who left the employ of the SIU on 31 March 2016.

3.3.2 Reasons why staff left

Termination type	Number	% of Total Exits
Death	3	16%
Resignation	11	58%
Expiry of contract	1	5%
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	4	21
Other	0	0
Total	19	100
Total number of employees who left as a % of total employment	4%	

3.4 EMPLOYMENT EQUITY

3.4.1 Total number of employees (including employees with disabilities) in each of the following occupational level as on 31 March 2017

Occupational level	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management*	4	2	2	10	4	1	2	3	28
Professional Qualified	49	14	16	41	22	1	4	28	175
Skilled	75	8	11	3	36	5	13	27	178
Semi-skilled	28	0	0	3	78	4	7	9	129
Unskilled	0	0	0	0	12	0	0	0	12
Total	157	24	29	57	152	11	26	67	523
Employees with disabilities	0	0	0	0	0	0	0	0	0

***Note:** In the senior management and professionally qualified grouping, three employees were internally promoted from professionally qualified to senior management which is reflected in table 3.4.1 but not in table 3.3.1.

3.4.2 Recruitment for the period

Occupational level	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	0	0	0	1	1	1	0	0	3
Professional Qualified	1	0	0	0	2	0	0	0	3
Skilled	1	0	0	0	1	0	0	0	2
Semi-skilled	0	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0	0
Total	3	0	0	1	4	1	0	0	9
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.4.3 Promotions for the period (internal recruitment)

Occupational level	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	1	0	0	0	1	4
Professional Qualified	1	0	0	0	1	0	0	0	2
Skilled	0	0	0	0	0	0	0	0	0
Semi-skilled	1	0	0	0	1	0	0	0	2
Unskilled	0	0	0	0	0	0	0	0	0
Total	4	0	0	1	2	0	0	1	8
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.4.4 Terminations for the period

Occupational level	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professional Qualified	4	0	1	3	0	0	1	1	10
Skilled	3	0	0	2	1	0	0	0	6
Semi-skilled	0	0	0	0	0	1	0	1	2
Unskilled	0	0	0	0	0	0	0	0	0
Total	8	0	1	4	1	1	1	2	19
Employees with Disabilities	0	0	0	0	0	0	0	0	0

3.4.5 Disciplinary action for the period

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Misconduct	1	1	1	1	0	0	0	0	4
Total	1	1	1	1	0	0	0	0	4

3.5 PERFORMANCE REWARDS

3.5.1 Performance rewards by occupational level

Occupational level	Performance rewards (R'000)
Top Management	–
Senior Management	4,053
Professional Qualified	14,028
Skilled	3,653
Semi-skilled	1,477
Unskilled	162
Total	23,373

HUMAN RESOURCE MANAGEMENT

3.6. LABOUR RELATIONS

3.6.1 Misconduct and disciplinary hearings finalised

Outcomes of disciplinary hearings	Number	% of Total
Verbal warning	0	0%
Written warning	1	25%
Final written warning	1	25%
Dismissal	0	0
Not guilty	0	0
Case withdrawn	2	50%
Total	4	100%

3.6.2 Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of Total
Contravening subsistence and travelling policy	1	25%
Abuse of company facility and dissemination of false information	1	25%
Dishonesty	1	25%
Failure to maintain set work standards	1	25%
Total	4	100%

3.6.3 Grievances logged

Grievances	Number	% of Total
Number of grievances resolved	6	50%
Number of grievances not resolved	6	50%
Total number of grievances lodged	12	100%

3.6.4 Disputes logged with CCMA

Disputes	Number	% of Total
Number of disputes upheld	1	6%
Number of disputes dismissed	15	94%
Total number of disputes lodged	16	100%

3.7. SKILLS DEVELOPMENT

3.7.1 Training needs identified for the period

Occupational level	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Skills programmes	Other short course	Other forms of training	Total
Top Management	Female	0	0	0	0	0
	Male	1	0	0	0	0
Senior Management	Female	10	0	4	2	6
	Male	18	0	12	0	12
Professional Qualified	Female	55	4	10	2	16
	Male	120	58	20	3	81
Skilled	Female	81	75	4	0	79
	Male	97	80	3	0	83
Semi-skilled	Female	98	60	16	0	76
	Male	31	13	4	0	17
Unskilled	Female	12	9	0	0	9
	Male	0	0	0	0	0
Sub Total	Female	256	148	34	4	186
	Male	267	151	39	3	193
Total		523	299	73	7	379



3.7.2 Training provided for the period

Occupational level	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Skills programmes	Other short course	Other forms of training	Total
Top Management	Female	0	0	0	0	0
	Male	1	0	0	0	0
Senior Management	Female	10	0	7	1	8
	Male	18	0	16	1	17
Professional Qualified	Female	55	4	15	4	23
	Male	120	102	34	2	138
Skilled	Female	81	75	4	0	79
	Male	97	93	3	2	98
Semi-skilled	Female	98	98	16	0	114
	Male	31	13	4	0	17
Unskilled	Female	12	9	0	0	9
	Male	0	0	0	0	0
Sub Total	Female	256	186	42	5	233
	Male	267	208	57	5	270
Total		523	394	99	10	503*

***Note:** This number also comprises of middle managers and specialists included in the leadership/strategy implementation training as well as bursaries offered.

3.8 INJURY ON DUTY

3.8.1 Injury on duty

Nature of injury on duty	Number	% of Total
Required basic medical attention only	5	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	5	100%



- ❖ INTEGRITY
- ❖ CO-OPERATION
- ❖ PROFESSIONALISM

- ❖ DRIVE AND PASSION
- ❖ EFFECTIVENESS
- ❖ INDEPENDENCE





POISED TO STRIKE
against corruption

- ❖ INTEGRITY
- ❖ CO-OPERATION
- ❖ PROFESSIONALISM
- ❖ DRIVE AND PASSION
- ❖ EFFECTIVENESS
- ❖ INDEPENDENCE





PART 6 FINANCIAL STATEMENTS

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2016
2017

GENERAL INFORMATION

LEGAL FORM OF ENTITY

Schedule 3 A, National Public Entity

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

The SIU was set up by the President in terms of the SIU Act. Its primary mandate is to recover and prevent financial losses to the State due to various acts of corruption, fraud and maladministration. The SIU has powers of investigation and litigation. Once a presidential proclamation is issued and published in the Government Gazette, the SIU has powers to subpoena, search, seize and interrogate witnesses under oath. Furthermore, the SIU may take civil action to correct any wrongdoing it uncovers in its investigations. For example, the SIU can obtain a court order to compel a person to pay back any wrongful benefit received and consequently recover the money for the state. The SIU may also work with the department concerned to cancel contracts when the proper procedures were not followed and/or to stop transactions or other actions that were not properly authorised.

While the SIU does not have the power to arrest or prosecute offenders where criminal conduct is uncovered, it will bring the matter to the attention of the NPA. It also works closely with the Directorate for DPCI (the Hawks) in the SAPS to ensure that there is effective investigation and prosecution. The SIU also works closely with the AFU in the NPA, towards recovering the proceeds of crime.

REGISTERED OFFICE

74 Watermeyer Street, Rentmeester Building, Meyerspark
Pretoria, Republic of South Africa 0184

BUSINESS ADDRESS

74 Watermeyer Street, Rentmeester Building, Meyerspark
Pretoria, Republic of South Africa 0184

POSTAL ADDRESS

Postnet Suite No. 271, Private Bag X844,
Silverton, South Africa 0127

CONTROLLING ENTITY

Department of Justice and Constitutional Affairs

BANKERS

First National Bank (FNB)

AUDITORS

Auditor General of South Africa (AGSA)



ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Accounting Authority is required by the PFMA (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the Annual Financial Statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the Annual Financial Statements and was given unrestricted access to all financial records and related data.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable

the Accounting Authority to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

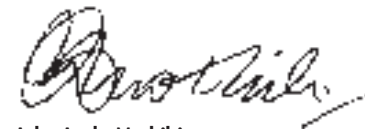
The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

Although the Accounting Authority is primarily responsible for the financial affairs of the entity, it is supported by the entity's internal audit department.

The external auditors are responsible for auditing and reporting on the entity's annual financial statements. The Annual Financial Statements have been examined by the entity's external auditors and their report is presented on page 86 – 89.

The Annual Financial Statements set out on pages 90 to 130, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 July 2017 and were signed on its behalf by:



Adv. Andy Mothibi
Accounting Authority

31 July 2017



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

I have audited the financial statements of the Special Investigating Unit set out on pages 90 to 130, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Special Investigating Unit as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) 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 authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting authority is responsible for assessing the Special Investigating Unit's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the entity for the year ended 31 March 2017:

OBJECTIVES	PAGES IN THE ANNUAL REPORT
Strategic Objective 1 – Conduct Quality Forensic Investigations	20
Strategic Objective 2 – Facilitate or Initiate Appropriate Remedial Action	21 – 27
Strategic Objective 3 – Co-operate effectively with other role players	28 – 29

I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to

determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not identify any material findings on the usefulness and reliability of the reported performance information for the following objectives:

- Strategic Objective 1: Conduct Quality Forensic Investigations
- Strategic Objective 2: Facilitate or Initiate Appropriate Remedial Action
- Strategic Objective 3: Co-operate effectively with other role players



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT

OTHER MATTERS

I draw attention to the matters below.

Achievement of planned targets

Refer to the annual performance report on pages 20 to 29 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the unqualified opinions expressed on the usefulness and reliability of the reported performance information on page 87 of this report.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

OTHER INFORMATION

The Special Investigating Unit accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.

My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the entity's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Special Investigating Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.



STATEMENT OF FINANCIAL POSITION

	Note(s)	2017 R	2016 Restated* R
Assets			
Current Assets			
Receivables from exchange transactions	3	131 068 992	143 028 687
Cash and cash equivalents	4	293 021 334	242 224 668
Bank balance – Recoveries	7 & 34	25 059 827	30 238 829
		449 150 153	415 492 184
Non-Current Assets			
Property, plant and equipment	5	45 346 405	36 990 450
Intangible assets	6	2 913 843	3 079 642
		48 260 248	40 070 092
Total Assets		497 410 401	455 562 276
Liabilities			
Current Liabilities			
Other financial liabilities	8	398 538	253 300
Operating lease liability	9	726 640	743 431
Payables from exchange transactions	10	24 709 443	23 644 232
Provisions	11	23 834 116	17 653 005
Payables – Recoveries	34	25 059 827	30 238 829
		74 728 564	72 532 797
Total Liabilities		74 728 564	72 532 797
Net Assets		422 681 837	383 029 479
Accumulated surplus		422 681 837	383 029 479

*See Note 26



STATEMENT OF FINANCIAL PERFORMANCE

		2017	2016 Restated*
	Note(s)	R	R
Revenue			
Revenue from exchange transactions			
Rendering of services	13	181 675 671	174 044 339
Interest received - trading	13	15 051 512	6 929 595
Other income	13	27 605	41 000
Total revenue from exchange transactions		196 754 788	181 014 934
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	14	316 732 000	304 458 000
CARA funds	32	426 739	4 148 024
Rental of premises paid on behalf of the SIU	33	4 871 910	5 095 320
Total revenue from non-exchange transactions		322 030 649	313 701 344
Total revenue	13	518 785 437	494 716 278
Expenditure			
Employee related costs	15	(322 683 382)	(300 569 643)
Debt Impairment	16	(55 309 869)	(62 913 691)
General expenses	17	(56 140 322)	(46 474 949)
Lease rentals on operating lease	18	(38 116 495)	(29 178 535)
Depreciation and amortisation	5 & 6	(5 929 160)	(5 151 940)
Professional services	19	(480 174)	(161 731)
Repairs and maintenance	20	(398 777)	(316 516)
Loss on disposal of assets		(74 900)	(30 828)
Total expenditure		(479 133 079)	(444 797 833)
Surplus for the year		39 652 358	49 918 445

*See Note 26



STATEMENT OF CHANGES IN NET ASSETS

	Note(s)	Accumulated surplus R	Total net assets R
Balance at 01 April 2015		333 111 034	333 111 034
Changes in net assets			
Surplus for the year		49 918 445	49 918 445
Total changes		49 918 445	49 918 445
Restated* Balance at 01 April 2016		383 029 479	383 029 479
Changes in net assets			
Surplus for the year		39 652 358	39 652 358
Total changes		39 652 358	39 652 358
Balance at 31 March 2017		422 681 837	422 681 837

*See Note 26



CASH FLOW STATEMENT

		2017	2016 Restated*
	Note(s)	R	R
Cash flows from operating activities			
Receipts			
Sale of goods and services		143 650 682	188 167 389
Grants		316 732 000	304 458 000
Interest income		15 051 512	6 929 595
Other receipts		27 605	41 000
		475 461 799	499 595 984
Payments			
Employee costs		(322 683 382)	(300 569 643)
Suppliers		(87 787 533)	(68 843 614)
		(410 470 915)	(369 413 257)
Net cash flows from operating activities	22	64 990 884	130 182 727
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(14 194 218)	(11 913 734)
Proceeds from sale of property, plant and equipment	5	–	2 648 624
Net cash flows from investing activities		(14 194 218)	(9 265 110)
Net increase/(decrease) in cash and cash equivalents		50 796 666	120 917 617
Cash and cash equivalents at the beginning of the year		242 224 668	121 307 051
Cash and cash equivalents at the end of the year	4	293 021 334	242 224 668

*See Note 26



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

BUDGET ON ACCRUAL BASIS	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	R
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	250 908 000	(87 585 995)	163 322 005	181 675 671	18 353 666	35.1
Interest received	5 000 000	9 129 256	14 129 256	15 051 512	922 256	
Other income	–	–	–	27 605	27 605	
Total revenue from exchange transactions	255 908 000	(78 456 739)	177 451 261	196 754 788	19 303 527	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	316 732 000	–	316 732 000	316 732 000	–	
CARA funds	–	426 739	426 739	426 739	–	
Rental of premises paid on behalf of SIU	–	–	–	4 871 910	4 871 910	35.2
Total revenue from non-exchange transactions	316 732 000	426 739	317 158 739	322 030 649	4 871 910	
Total revenue	572 640 000	(78 030 000)	494 610 000	518 785 437	24 175 437	
Expenditure						
Employee related costs	(369 269 000)	–	(369 269 000)	(322 683 382)	46 585 618	35.3
Lease rentals on operating leases	(44 566 523)	5 000 000	(39 566 523)	(38 116 495)	1 450 028	
Depreciation and amortisation	(8 867 000)	1 123 000	(7 744 000)	(5 929 160)	1 814 840	
Debt Impairment	–	–	–	(55 309 869)	(55 309 869)	35.4
Loss on the disposal of assets	–	–	–	(74 900)	(74 900)	
Repairs and maintenance	(1 010 000)	500 000	(510 000)	(398 777)	111 223	
Professional services	(450 000)	–	(450 000)	(480 174)	(30 174)	
General expenditure	(148 477 477)	71 407 000	(77 070 477)	(56 140 322)	20 930 155	35.5
Total expenditure	(572 640 000)	78 030 000	(494 610 000)	(479 133 079)	15 476 921	
Surplus before taxation	–	–	–	39 652 358	39 652 358	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	–	–	–	39 652 358	39 652 358	

Basis of preparation

The Special Investigating Unit prepares its annual budget on an accrual basis in terms of the Public Finance Management Act (Act No. 1 of 1999) and the National Treasury's Medium Term Expenditure Framework guidelines issued annually. The Statement of Financial Performance is prepared on an accrual basis. The approved budget was amended mainly due to the analysis of projects anticipated to be implemented in the 2016/17 financial year and the status of active as well as new anticipated Proclamations.



ACCOUNTING POLICIES

1 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures are rounded to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

1.1 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The entity assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a receivable.

The impairment for receivables is calculated on a portfolio basis. For amounts due to the entity, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment testing

Value in use of non-cash generating assets:

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Useful lives of property, plant and equipment and other assets

The entity's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norms and on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the entity.

Effective interest rate

The entity used the incremental borrowing rate to discount future cash flows.

Allowance for impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.



ACCOUNTING POLICIES

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially measured at cost. Property and equipment with a cost value of less than R 5 000 are not capitalised, but expensed immediately.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Subsequent to initial measurement property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Furniture and fixtures	Straight line	20 years
Motor vehicles	Straight line	8 years
Office equipment	Straight line	15 years
IT equipment	Straight line	10 years
Leasehold improvements	Straight line	Over the lifespan of the lease

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.



The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 5).

1.5 INTANGIBLE ASSETS

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or

exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or

- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Intangible assets are initially measured at cost.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal

project) is recognised as an expense when it is incurred.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.



ACCOUNTING POLICIES

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

ITEM	USEFUL LIFE
Computer software	25 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 6)

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount and is included in surplus or deficit when the asset is derecognised.

1.6 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

CLASS	CATEGORY
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

CLASS	CATEGORY
Payables from exchange transactions	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus, in the case of a financial asset or a liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.



Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the Unit, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in

surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Derecognition

– Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. *In this case, the entity:*
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

– Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished – i.e. when the obligation specified in the contract is discharged, cancelled, expired or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).



ACCOUNTING POLICIES

1.7 IMPAIRMENT OF NON-CASH-GENERATING ASSETS

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset is initially recognised during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.



1.8 PAYMENTS RECEIVED IN ADVANCE

Payments received in advance, is revenue received in advance but which is not yet earned. Payments received in advance are reported as a current liability if they will be earned within one year.

1.9 ACCUMULATED SURPLUS

The accumulated surplus represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

1.10 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual

payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Any contingent rent are expensed in the period in which they are incurred.

1.11 EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free

or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered a service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Unit recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a



ACCOUNTING POLICIES

result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Unit pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered services to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, the Unit recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value

of money. The currency and term of the financial instrument selected to reflect the time value of money are consistent with the currency and estimated term of the obligation.

1.12 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate

asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If the entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is an:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not

- wholly within the control of the entity; or
- present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

1.13 REVENUE FROM EXCHANGE TRANSACTIONS

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion

of the transaction at the reporting date. *The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:*

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.14 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.



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Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation

at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Services in-kind

Services in-kind that are significant to the SIU's operations and/or service delivery objectives are recognised as assets and the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

1.15 BORROWING COSTS

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 RECOVERIES

Recoveries are collections done on behalf of departments and paid over on regular intervals. The money is collected into a bank account where it remains until paid out to the relevant department.

Any balances of money collected and not paid over to departments at the end of the financial year are recognised in the Statement of Financial Position as a liability.

1.17 PREPAYMENTS

Prepayments are payments made in advance for software used in more than one financial period. Prepayments are recognised in current assets and allocated to expenses during the financial year in which the cost relates.

1.18 COMMITMENTS

Items are classified as commitments when the entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation are disclosed in a note to the financial statements, if both the following criteria are met:

- contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.19 COMPARATIVE FIGURES

Where necessary, comparative figures have been reclassified

to conform to changes in presentation in the current year. Refer to note 26 for detail.

1.20 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are derecognised when settled or subsequently written-off as irrecoverable.

1.21 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including –

- a) this Act; or
- b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

1.22 BUDGET INFORMATION

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2016/04/01 to 2017/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the statement of comparison of budget and actual amounts.

1.23 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the entity.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.24 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2 NEW STANDARDS AND INTERPRETATIONS

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 17 (as amended 2016): Property, Plant and Equipment

Based on the feedback received as part of the post-implementation review, the Board agreed to reconsider certain principles in GRAP 16 and GRAP 17. In particular, the Board agreed to:

The most significant changes to the Standard are:

- Review the principles and explanations related to the distinction between investment property and property, plant and equipment.
- Consider whether an indicator-based assessment of useful lives of assets could be introduced.

The effective date of the amendment is for years beginning on or after 01 April 2016.

The entity has adopted the amendment for the first time in the 2017 annual financial statements. The impact of the amendment is not material.

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

The following standards and interpretations have been published and are mandatory for the entity's accounting periods

beginning on or after 01 April 2017 or later periods.

IGRAP 18: Interpretation of the Standard of GRAP on Recognition and Derecognition of Land

This Interpretation of the Standards of GRAP applies to the initial recognition and derecognition of land in an entity's financial statements. It also considers joint control of land by more than one entity.

When an entity concludes that it controls the land after applying the principles in this Interpretation of the Standards of GRAP, it applies the applicable Standard of GRAP, i.e. the Standard of GRAP on Inventories, Investment Property (GRAP 16), Property, Plant and Equipment (GRAP 17) or Heritage Assets. As this Interpretation of the Standards of GRAP does not apply to the classification, initial and subsequent measurement, presentation and disclosure requirements of land, the entity applies the applicable Standard of GRAP to account for the land once control of the land has been determined. An entity also applies the applicable Standards of GRAP to the derecognition of land when it concludes that it does not control the land after applying the principles in this Interpretation of the Standards of GRAP.

In accordance with the principles in the Standards of GRAP, buildings and other structures on the land are accounted for separately. These assets are accounted for separately as the future economic benefits or service potential embodied in the land differs from those included in buildings and other structures. The recognition and derecognition of buildings and other structures are not addressed in this Interpretation of the Standards of GRAP.

The effective date of the interpretation is for years beginning on or after 01 April 2019.

The entity does not envisage the adoption of the interpretation until such time as it becomes applicable to the entity's operations.

It is unlikely that the interpretation will have a material impact on the entity's annual financial statements.

GRAP 12 (as amended 2016): Inventories

Amendments to the Standard of GRAP on Inventories resulted from inconsistencies in measurement requirements in GRAP 23 and other asset-related Standards of GRAP in relation to the treatment of transaction costs. Other changes resulted from changes made to IPSAS 12 on Inventories (IPSAS 12) as a result of the IPSASB's Improvements to IPSASs 2015 issued in March 2016.

The most significant changes to the Standard are:

- General improvements: To clarify the treatment of transaction costs and other costs incurred on assets acquired in non-exchange transactions to be in line with the principle in GRAP 23 (paragraph .12)
- IPSASB amendments: To align terminology in GRAP 12 with that in IPSAS 12. The term "ammunition" in IPSAS 12 was replaced with the term "military inventories" and provides a description of what it comprises in accordance with Government Finance Statistics terminology

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity does not envisage the adoption of the amendment until such time as it becomes applicable to the entity's operations.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 21 (as amended 2016): Impairment of non-cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity does not envisage the adoption of the amendment until such time as it becomes applicable to the entity's operations.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 26 (as amended 2016): Impairment of cash-generating assets

The Board agreed to include a research project on its work programme to review GRAP 21 and GRAP 26 to assess

whether the principles in these Standards could be simplified and streamlined. As part of its research project, the Board considered the following aspects which led to the proposed amendments included in this Exposure Draft:

The most significant changes to the Standard are:

- IPSASB amendments: To update the Basis of conclusions and Comparison with IPSASs to reflect the IPSASB's recent decision on the impairment of revalued assets.

The effective date of the amendment is for years beginning on or after 01 April 2018.

The entity does not envisage the adoption of the amendment until such time as it becomes applicable to the entity's operations.

It is unlikely that the amendment will have a material impact on the entity's annual financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments,

between an entity and its related parties;

- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. *As a minimum, the following are regarded as related parties of the reporting entity:*



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

- *A person or a close member of that person's family is related to the reporting entity if that person:*
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- *An entity is related to the reporting entity if any of the following conditions apply:*
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

The adoption of this standard is not expected to impact on the results of the entity, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 109: Accounting by Principals and Agents

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

The impact of this standard is currently being assessed.

GRAP 32: Service Concession Arrangements: Grantor

The objective of this Standard is: to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

It furthermore covers: Definitions, recognition and measurement of a service concession asset, recognition and measurement of liabilities, other liabilities, contingent liabilities, and contingent assets, other revenues, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

GRAP 108: Statutory Receivables

The objective of this Standard is: to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.



It furthermore covers: Definitions, recognition, derecognition, measurement, presentation and disclosure, transitional provisions, as well as the effective date.

The effective date of the standard is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the standard until such time as it becomes applicable to the entity's operations.

The adoption of this standard is not expected to impact on the results of the entity, but may result in more disclosure than is currently provided in the annual financial statements.

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This Interpretation of the Standards of GRAP provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease. This Interpretation of the Standards of GRAP shall not be applied by analogy to other types of transactions or arrangements.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation of the Standards of GRAP need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

A consensus is reached, in this Interpretation of the Standards of GRAP, on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the interpretation is not yet set by the Minister of Finance.

The entity does not envisage the adoption of the interpretation until such time as it becomes applicable to the entity's operations.

It is unlikely that the interpretation will have a material impact on the entity's annual financial statements.

3 RECEIVABLES FROM EXCHANGE TRANSACTIONS

Trade debtors	129 777 293	140 908 766
Deposits	58 781	23 929
Prepaid expenses	944 651	1 538 378
Study loans	180 764	95 856
Staff debt	66 561	411 664
Other receivables	40 942	50 094
	131 068 992	143 028 687

Trade and other receivables pledged as security

None of the trade and other receivables were pledged as security.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are usually not considered to be impaired. At 31 March 2017, R82 491 886 (2016: R79 242 047) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	46 898	2 227 222
2 months and more past due	82 444 988	77 014 825

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of R418 258 679 (2016: R374 389 028) were impaired and provided for.

The amount of the provision was R288 481 386 as of 31 March 2017 (2016: R233 480 262).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016
		Restated*
Note(s)	R	R
3 RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUED)		
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	233 480 262	170 566 571
Provision for impairment	55 001 124	62 913 691
	288 481 386	233 480 262
4 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	59 240	16 901
Bank balances	292 962 094	242 207 767
	293 021 334	242 224 668

Included in the above bank balance of R 292 962 094 is an employee saving scheme. Deductions are made from employees net salaries and are saved by the SIU. This is done on a voluntary basis and are paid upon request. Refer to note 8 for further detail.



	Cost/ Valuation	2017 Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	2016 Accumulated depreciation and accumulated impairment	Carrying value
5 PROPERTY, PLANT AND EQUIPMENT						
Furniture and fixtures	2 420 600	(852 070)	1 568 530	1 941 136	(1 005 983)	935 153
IT equipment	41 036 737	(19 952 460)	21 084 277	41 247 951	(16 150 118)	25 097 833
Leasehold property	6 403 419	(6 154 101)	249 318	6 122 503	(5 913 929)	208 574
Motor vehicles	19 850 544	(2 218 238)	17 632 306	8 644 617	(1 405 757)	7 238 860
Office equipment	8 741 111	(3 929 137)	4 811 974	6 970 203	(3 460 173)	3 510 030
Total	78 452 411	(33 106 006)	45 346 405	64 926 410	(27 935 960)	36 990 450

	Opening balance	Additions	Disposals	Depreciation	Total
Reconciliation of property, plant and equipment - 2017					
Furniture and fixtures	935 153	749 368	–	(115 991)	1 568 530
IT equipment	25 097 833	27 134	(47 747)	(3 992 943)	21 084 277
Leasehold property	208 574	290 501	–	(249 757)	249 318
Motor vehicles	7 238 860	11 205 927	–	(812 481)	17 632 306
Office equipment	3 510 030	1 921 288	(27 151)	(592 193)	4 811 974
	36 990 450	14 194 218	(74 898)	(5 763 365)	45 346 405

Reconciliation of property, plant and equipment – 2016

Furniture and fixtures	1 018 687	–	–	(83 534)	935 153
IT equipment	17 151 623	11 108 850	(36 989)	(3 125 651)	25 097 833
Leasehold property	577 030	–	–	(368 456)	208 574
Motor vehicles	8 101 174	180 405	–	(1 042 719)	7 238 860
Office equipment	3 222 965	624 479	–	(337 414)	3 510 030
	30 071 479	11 913 734	(36 989)	(4 957 774)	36 990 450

Pledged as security

None of the above property, plant and equipment have been pledged as security

Expenditure incurred to repair and maintain property, plant and equipment

Repairs and maintenance	398 777	316 516
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Cost/ Valuation	2017 Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	2016 Accumulated depreciation and accumulated impairment	Carrying value	
6 INTANGIBLE ASSETS							
Computer software	4 857 419	(1 943 576)	2 913 843	4 857 419	(1 777 777)	3 079 642	
Reconciliation of intangible assets - 2017				Opening balance	Amortisation	Total	
Computer software				3 079 642	(165 799)	2 913 843	
Reconciliation of intangible assets - 2016				Opening balance	Disposals	Amortisation	Total
				3 851 992	(578 184)	(194 166)	3 079 642
Pledged as security							
None of the above intangible assets have been pledged as security.							

	Note(s)	2017 R	2016 Restated* R
7 BANK BALANCE - RECOVERIES			
Bank balance - recoveries			
Opening balance		30 238 829	21 345 189
Collections during the period		14 043 847	20 299 135
Payments during the period		(19 222 849)	(11 405 495)
Closing balance		25 059 827	30 238 829
Payables - recoveries		22 890 336	30 212 919
Accrued interest payable to National Treasury		2 169 491	25 910
		25 059 827	30 238 829

The SIU has several agreements with State Institutions to recover funds from recipients who received assistance that they were not entitled to and that originated as a result of SIU investigations. The funds are recovered through the SIU AOD (Acknowledgement of Debt) section within finance and kept in Trust Accounts. The SIU periodically prepares reconciliations of what has been recovered and pays over these funds to relevant institutions. Funds not yet paid over to the relevant entities at financial year end are disclosed in note 34 Payables - Recoveries.



	Note(s)	2017 R	2016 Restated* R
8 OTHER FINANCIAL LIABILITIES			
At amortised cost			
Employee saving scheme		398 538	253 300
Refer to note 4 for further detail.			
Current liabilities			
At amortised cost		398 538	253 300
9 OPERATING LEASE ASSET (ACCRUAL)			
Current liabilities		726 640	743 431
Refer to note 23 for further detail.			
10 PAYABLES FROM EXCHANGE TRANSACTIONS			
Trade payables		10 164 662	11 111 993
Payments received in advanced		–	426 739
Accrued leave pay		10 588 894	9 315 730
Accrued administrative expenses		3 955 887	2 789 770
		24 709 443	23 644 232

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11 PROVISIONS

Reconciliation of provisions – 2017

Performance bonus

Opening balance	Additions	Utilised during the year	Total
17 653 005	23 834 116	(17 653 005)	23 834 116

Reconciliation of provisions – 2016

Performance bonus

12 100 000	17 653 005	(12 100 000)	17 653 005
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Performance bonus

The provision for Performance bonuses is made annually at year-end, in line with the SIU's approved policies. The provision is made at year-end by using estimates on amounts payable and factors influencing the amount, and actual payout occur only after the full performance assessment process has been concluded and the final amount authorised by the Accounting Authority. The payout usually occurs in July/August of the following financial year, in this instance July/August 2017.

The actual amount as well as the exact time of payout is not determinable at year-end, as a result of the individual performance assessments that can only be completed after year-end, and the actual funds available. The average percentages that were paid in the previous financial year that was achieved per employee were used in the calculation for the performance bonuses. There are no expected reimbursements on the provision for bonuses that is made.

12 FINANCIAL INSTRUMENTS DISCLOSURE

Categories of financial instruments

	2017		2016	
	At Amortised Cost	Total	At Amortised Cost	Total
Financial assets				
Receivables from exchange transactions	130 021 390	130 021 390	141 490 309	141 490 309
Cash and cash equivalents	293 021 334	293 021 334	242 224 668	242 224 668
	423 042 724	423 042 724	383 714 977	383 714 977
Financial liabilities				
Other financial liabilities	398 538	398 538	253 300	253 300
Payables from exchange transactions	24 709 443	24 709 443	23 644 232	23 644 232
	25 107 981	25 107 981	23 897 532	23 897 532

	Note(s)	2017 R	2016 Restated* R
13 REVENUE			
Rendering of services		181 675 671	174 044 339
Interest received		15 051 512	6 929 595
Other income		27 605	41 000
Government grants & subsidies		316 732 000	304 458 000
CARA funds		426 739	4 148 024
Rental of premises paid on behalf of the SIU		4 871 910	5 095 320
		518 785 437	494 716 278
The amount included in revenue arising from exchanges of goods or services are as follows:			
Rendering of services		181 675 671	174 044 339
Interest received		15 051 512	6 929 595
Other income		27 605	41 000
		196 754 788	181 014 934
The amount included in revenue arising from non-exchange transactions is as follows:			
Taxation revenue			
Transfer revenue			
Government grants & subsidies		316 732 000	304 458 000
CARA funds		426 739	4 148 024
Rental of premises paid on behalf of the SIU		4 871 910	5 095 320
		322 030 649	313 701 344
14 GOVERNMENT GRANTS AND SUBSIDIES			
Operating grants			
Government grant		316 732 000	304 458 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016
		Restated*
Note(s)	R	R
15 EMPLOYEE RELATED COSTS		
Basic salary	289 983 601	271 976 075
Acting allowances	677 746	1 122 510
Funeral benefits	56 853	56 651
Leave pay accrual charge	1 272 298	775
Medical aid - company contributions	116 853	136 954
Provident fund	27 505 338	24 972 241
Travel, motor car, accommodation, subsistence and other allowances	1 657 699	1 438 641
Unemployment insurance fund contribution	1 412 994	865 796
	322 683 382	300 569 643

The SIU remunerates employees on a "Total Cost to Company" basis, and the individual structuring can therefore be decided on by the individual employee, subject to the policies of the SIU as well as SARS directives in this regard.

Remuneration of Adv. JL Mothibi (Head of Unit)

Annual remuneration	1 754 764	–
Contributions to UIF, medical and pension funds	260 740	–
	2 015 504	–

Adv JL Mothibi was appointed in May 2016.

Remuneration of Adv GW Visagie (Acting HoU) (Corporate Legal Counsel)

Annual remuneration	1 244 251	1 543 505
Performance bonuses	292 609	277 348
Contributions to UIF, medical and pension funds	246 962	239 260
	1 783 822	2 060 113

Adv. GW Visagie was acting until April 2016.



	2017	2016
Note(s)	R	Restated* R
15 EMPLOYEE RELATED COSTS (CONTINUED)		
Remuneration of Ms MK Nyathi (Head: Business Support)		
Annual remuneration	1 445 765	1 873 238
Car allowance	163 800	163 800
Performance bonuses	354 593	262 563
Contributions to UIF, medical and pension funds	180 058	175 709
	2 144 216	2 475 310
Remuneration of Mr A Gernandt (Chief Financial Officer)		
Annual remuneration	705 558	–
Contributions to UIF, medical and pension funds	946	–
	706 504	–
Mr A Gernandt was appointed in October 2016.		
Remuneration of Mr MT Mkhungo (Head: Internal Audit, Risk & Governance)		
Annual remuneration	903 958	152 361
Car allowance	88 020	7 335
Contributions to UIF, medical and pension funds	111 018	18 059
	1 102 996	177 755
Remuneration of Ms ME Lecheko (Head: Internal Integrity Unit)		
Annual remuneration	993 495	870 936
Performance bonuses	–	62 400
Contributions to UIF, medical and pension funds	111 693	98 476
	1 105 188	1 031 812

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016 Restated*
Note(s)	R	R
15 EMPLOYEE RELATED COSTS (CONTINUED)		
Remuneration of Mr LG Lekgetho (Projects Director)		
Annual remuneration	1 341 527	1 283 629
Car allowance	14 004	12 816
Performance bonuses	173 219	130 822
Contributions to UIF, medical and pension funds	48 664	42 712
	1 577 414	1 469 979
Mr LG Lekgetho was in an acting position and appointed permanently in January 2017.		
Remuneration of Dr JO Wells (Corporate Lawyer (Senior Forensic Lawyer))		
Annual remuneration	969 917	949 712
Performance bonuses	200 324	141 698
Contributions to UIF, medical and pension funds	191 686	162 564
	1 361 927	1 253 974
Remuneration of Ms NS Pandor (Head: Stakeholder Management)		
Annual remuneration	260 204	–
Contributions to UIF, medical and pension funds	31 622	–
	291 826	–
Ms NS Pandor was appointed in January 2017.		
Remuneration of Ms C Mothibeli (Chief Financial Officer)		
Annual remuneration	–	756 986
Car allowance	–	73 850
Contributions to UIF, medical and pension funds	–	84 497
	–	915 333

Ms C Mothibeli resigned in December 2015.

***Note:** For the 2016/17 financial year, management considered the definition of key management and disclosed the remuneration of only Executive Committee members. In the 2015/16 Annual Financial Statements, remuneration for some additional senior management members were also disclosed on an individual basis. The performance bonuses paid and included in employee costs in the 2015/16 Annual Report were not disclosed on an individual basis in the 2015/16 annual financial statements. In the comparative figures for 2016 these amounts have now been amended on an individual basis as indicated above.



	Note(s)	2017 R	2016 Restated* R
16 DEBT IMPAIRMENT			
Debt impairment		55 001 124	62 913 691
Bad debts written off		308 745	–
		55 309 869	62 913 691
17 GENERAL EXPENSES			
Travel – local*		12 928 018	11 722 266
Telephone and fax		6 859 966	5 643 420
Annual software maintenance		6 181 313	5 452 269
Consulting and professional fees*		7 578 090	3 743 534
Electricity		4 469 101	4 275 940
Auditors remuneration		3 120 891	2 985 168
Printing and stationery		2 167 040	1 753 420
Training		1 511 503	592 028
Cleaning		1 485 775	1 382 118
Official functions and meetings		1 214 977	602 200
Bursaries		960 427	951 393
Insurance		861 149	979 785
Office expenses		779 636	517 396
Consumables		757 434	452 999
Placement fees		714 896	443 886
Staff welfare		689 457	372 359
Uniforms		521 578	588 981
Membership fees and subscriptions		465 424	308 615
Security		423 587	395 830
Vehicle licence fees		388 102	574 346
Storage fees		377 737	242 549
Advertising		329 886	888 449

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016 Restated*
Note(s)	R	R
17 GENERAL EXPENSES (CONTINUED)		
Bank charges	286 379	265 573
Courier cost	265 313	267 978
Postage and courier	240 736	226 413
Relocation costs	139 709	232 381
Travel – overseas	129 231	172 570
Magazines, books and periodicals	123 317	98 929
Data scanning, traces and deed searches	119 120	330 471
Conferences and seminars	50 244	–
Fines and penalties	286	11 683
	56 140 322	46 474 949

* The majority of Travel and Consulting and professional fees are incurred during the normal course of carrying out investigations and ensuring civil litigation.

18 LEASE RENTALS ON OPERATING LEASE

Rentals – premises	37 144 195	27 798 863
Lease rentals on operating lease	60 674	88 348
Rentals – equipment	911 626	1 291 324
	38 116 495	29 178 535

There is a 31% increase in lease rental costs from the previous to the current financial year. The major contributing factor is a settlement payment of R5,481,546 made by the SIU to Waverley Place / City Property on a dispute between the two parties regarding escalation costs for premises occupied in Pretoria. A contingent liability was raised at the end of the 2015/16 financial year to the value of R6,661,410. Refer to note 24.



	2017	2016 Restated*
Note(s)	R	R
19 PROFESSIONAL SERVICES		
Professional services	480 174	161 731
The professional services incurred are for outsourced internal audit services. The growth in the 2016/17 financial year is due to additional ad hoc management requests for audits relating to assurance on specific items on the internal control framework and supply chain management systems of the SIU.		
20 REPAIRS AND MAINTENANCE		
Buildings	169 520	71 928
IT equipment	11 221	–
Vehicles	218 036	244 588
	398 777	316 516
21 AUDITORS' REMUNERATION		
Fees	3 120 891	2 985 168
22 CASH GENERATED FROM OPERATIONS		
Surplus	39 652 358	49 918 445
Adjustments for:		
Depreciation and amortisation	5 929 160	5 151 940
Debt impairment	55 001 125	62 913 691
Movements in provisions	6 181 111	5 571 582
Profit/loss on disposal of assets	74 900	30 828
Income received in advance - CARA funds	(426 737)	(4 148 024)
Changes in working capital:		
Inventories	–	61 685
Receivables from exchange transactions	(43 630 730)	629 828
Prepayments	593 725	451 558
Payables from exchange transactions	1 615 972	9 601 194
	64 990 884	130 182 727



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016 Restated*
Note(s)	R	R
23 COMMITMENTS		
Authorised capital expenditure		
Already contracted for but not provided for		
– Property, plant and equipment	–	9 887 273
Total capital commitments		
Already contracted for but not provided for	–	9 887 273
The capital commitment at the end of the 2015/16 financial year was settled in the 2016/17 financial year.		
Operating leases		
Minimum lease payments due		
– within one year	5 292 165	4 057 955
– in second to fifth year inclusive	16 927 522	5 868 935
	22 219 687	9 926 890

Operating lease payments represent rentals payable by the entity for certain property and copiers. The average lease term ranges between 1 (one) and 5 (five) years with an average escalation rate of between 7% and 8%. No contingent rent is payable.

24 CONTINGENCIES

Contingent liabilities

Botha – Claim for services rendered (R 316 000 plus cost of R 25 000)
 Complaints against SIU by employees – Several labour disputes
 AJ Basson – PAIA related
 Waverley Place / City Property – Disputed annual escalation increase on rental

341 000	341 000
31 660 340	1 280 000
150 000	150 000
–	6 661 410
32 151 340	8 432 410

Refer to note 18 for the detail relating to Waverley Place / City Property.



25 RELATED PARTIES

Relationships

Controlling entity

Entities with the same portfolio

Department of Justice and Constitutional Affairs

National Prosecuting Authority

Legal Aid Board South Africa

Public Protector South Africa

South African Human Rights Commission

Justice Modernisation

President's Fund

Guardian's Fund

Criminal Asset Recovery Account

Office of the Chief Justice

Department of Correctional Services

Members of key management

Adv JL Mothibi

Adv GW Visagie

Ms MK Nyathi

Mr A Gernandt

Mr MT Mkhungo

Ms ME Lecheko

Mr LG Lekgetho

Dr JO Wells

Ms NS Pandor

Criminal Asset Recovery Account (CARA)

The SIU is one of the three primary members of the Anti-Corruption Task Team (ACTT), together with the Directorate for Priority Crime Investigation and the National Prosecuting Authority. The SIU, at its Head Office, houses members of the ACTT on its premises and also deliver Information Technology infrastructural services to the ACTT members, including printing/copying services, local area network connection, office applications and desktop support services. The value of the services that the SIU delivered to the ACTT members for the 11 months in the 2016/17 financial year for which it did not receive any additional funding from the Criminal Assets Recovery Account (CARA) through the Department of Justice are as indicated:

	2017	2016
	R	Restated*
Note(s)		R
Rental of premises	1 285 972	–
Information Technology Infrastructure	782 287	–
	2 068 259	–



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2017	2016 Restated*
Note(s)	R	R
25 RELATED PARTIES (CONTINUED)		
Related party transactions		
Rent paid to (received from) related parties		
Department of Public Works (Refer to note 33 for details)	(4 871 910)	(5 095 320)

Remuneration of key management

Executive management

Refer to note 15, Employee related costs.

26 COMPARATIVE FIGURES

Certain comparative figures have been reclassified.

Below is a summary of the total effect that the reclassifications of comparatives had on the amounts previously disclosed in the annual financial statements.

Expenses

	Balance as previously reported	Reclassified	Total
Employee related cost	(300 863 156)	293 513	(300 569 643)
Depreciation	(5 335 222)	5 335 222	–
Amortisation	(194 166)	194 166	–
Depreciation and amortisation	–	(5 151 940)	(5 151 940)
Lease rentals on operating lease	–	(29 178 535)	(29 178 535)
Travel and accommodation	(11 133 743)	11 133 743	–
Repairs and maintenance	–	(316 516)	(316 516)
Professional services (Internal audit)	–	(161 731)	(161 731)
General expenses	(64 357 855)	17 882 906	(46 474 949)
Loss on disposal of assets	–	(30 828)	(30 828)
	(381 884 142)	–	(381 884 142)



26 COMPARATIVE FIGURES (CONTINUED)

Statement of financial position

Current assets

Receivables from exchange transactions
Prepayments
Receivables from non-exchange transactions

Current liabilities

Other financial liability
Payables from exchange transactions
Payables from non-exchange transactions
Income received in advance
Operating lease liability
Provisions

Balance as previously reported	Reclassification	Total
140 908 766	2 119 921	143 028 687
1 538 378	(1 538 378)	–
570 969	(570 969)	–
143 018 113	10 574	143 028 687
–	(253 300)	(253 300)
(14 883 492)	(8 760 740)	(23 644 232)
(4 428)	4 428	–
(426 737)	426 737	–
–	(743 431)	(743 431)
(26 968 735)	9 315 730	(17 653 005)
(42 283 392)	(10 576)	(42 293 968)



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27 RISK MANAGEMENT

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (cash flow interest rate risk), credit risk and liquidity risk.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	(398 538)	–	–	–
Payables from exchange transactions	(24 709 443)	–	–	–
At 31 March 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other financial liabilities	(253 300)	–	–	–
Payables from exchange transactions	(23 644 232)	–	–	–

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade receivables. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise of other departments in terms of partnership agreements. Management evaluated credit risk relating to customers on an ongoing basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument

Receivables from exchange transactions
Cash and cash equivalents

2017	2016
130 021 390	141 490 309
293 021 334	242 224 668

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.



28 GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the members continue to procure funding for the ongoing operations for the entity.

29 EVENTS AFTER THE REPORTING DATE

No significant events occurred after the reporting date.

30 FRUITLESS AND WASTEFUL EXPENDITURE

	2017	2016 Restated*
Note(s)	R	R
Opening balance	8 780	–
Incurred in the current year	506	8 780
	9 286	8 780
Analysis of expenditure		
Interest payment to SARS for late payment of PAYE	–	4 690
Payment of traffic fines incurred by employees	506	4 090
	506	8 780
31 IRREGULAR EXPENDITURE		
Opening balance	11 246 255	65 449 325
Add: Irregular expenditure - current year	1 799 023	2 507 247
Less: Amounts condoned	(4 608 936)	(56 710 317)
	8 436 342	11 246 255



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

		2017	2016
	Note(s)	R	Restated*
			R
31 IRREGULAR EXPENDITURE (CONTINUED)			
Details of irregular expenditure – current year			
Incident 1 – Fully condoned	Service Provider used without following proper SCM process (Insurance)	842 890	
Incident 2	Service provider used without following proper SCM processes (Reference checks)	41 285	
Incident 3	Service provider used without following proper SCM processes (Courier Services)	307 329	
Incident 4	No proper deviations in place for deviating from normal SCM processes (Travel Management)	392 287	
Incident 5	Services of legal counsel procured without following SCM processes	215 232	
		1 799 023	
Details of irregular expenditure - prior year			
Incident 1 – Fully condoned	Proper SCM processes not followed when extending the extending lapsed contract (Nelspruit Office)		614 205
Incident 2	No proper deviations in place for deviating from normal SCM processes (Travel Management)		345 392
Incident 3 – Fully condoned	Service Provider used without following proper SCM process (Insurance)		948 037
Incident 4	Service provider used without following proper SCM processes (Reference checks)		382 465
Incident 5	Service provider used without following proper SCM processes (Courier Services)		196 755
Incident 6	Promoted employees paid before written approval by Head of Unit		20 393
			2 507 247
Analysis of expenditure awaiting condonation per age classification			
Current year			956 132
Prior year – 2016			7 480 209
			8 436 341
Analysis of expenditure awaiting condonation per age classification – prior year			
2016			2 507 247
2015			8 739 008
			11 246 255



	2017	2016 Restated*
Note(s)	R	R
32 CARA FUNDS		
CARA funds	426 739	4 148 024

The Criminal Asset Recovery Account (CARA) Funds in the 2017 financial year was the remainder of the R20 million received in advance through the Department of Justice and Constitutional Development in the 2011/12 financial year. The allocation was mainly for the acquisition of ICT capabilities, purchasing of technology and equipment and the acquiring of facilities and related costs to support the mandate and the objectives of the Anti-Corruption Task Team (ACTT).

The SIU, as one of the three main members of the ACTT, will motivate for additional funding in the 2017/18 financial year to cover the costs of the remainder of the ACTT project.

33 RENTAL OF PREMISES PAID ON BEHALF OF THE SIU

Rental

Rental payment by DPW

4 871 910	5 095 320
-----------	-----------

The amount represents rental payments by the Department of Public Works on behalf of the SIU for regional offices in East London.

34 PAYABLES – RECOVERIES

Recoveries

Opening Balance – Trust accounts

Collections during the period

Payments during the period

30 238 829	21 345 189
14 043 847	20 299 135
(19 222 849)	(11 405 495)

Bank – Recoveries (as per Bank - Recoveries)

Payables – Recoveries

Accrued interest payable to National Treasury

Payables – Recoveries

25 059 827	30 238 829
(22 890 336)	(30 212 919)
(2 169 491)	(25 910)
(25 059 827)	(30 238 829)

The SIU has several agreements with State Institutions to recover funds from recipients who received assistance that they were not entitled to and that originated as a result of SIU investigations. The funds are recovered through the SIU Acknowledgement of Debt (AOD) section within finance and kept in Trust Accounts. The SIU periodically prepares reconciliations of what has been recovered and pays over these funds to relevant institutions.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

35 BUDGET DIFFERENCES

Material differences between budget and actual amounts

35.1 Rendering of services

Revenue from services rendered is based on the recovery of fees from State Institutions for services rendered under issued proclamations. The actual amount recovered is slightly over the final budgeted amount for the 2016/17 financial year. For the 2016/17 financial year, there were 13 new proclamations issued and as at 31 March 2017, the SIU had 45 active proclamations.

35.2 Rental of premises paid on behalf of the SIU

Rental of premises paid by the Department of Public Works on behalf of the SIU for the East London office was historically not budgeted for. The SIU will in future budget for this item.

35.3 Employee related costs

The underspending on employee related costs is due to the fact that the cost relating to vacancies were budgeted for the whole year as there was no indication/projection of when the positions would be filled. The cost of these vacancies have not been incurred as they are still vacant. The recruitment process has been placed on hold to enable the SIU's organisational structure review process to be finalised in 2017/18, and the resulting vacancies appropriately filled.

35.4 Debt impairment

The SIU did historically not budget for debt impairment due to the fact that the analysis of the amounts to be impaired is only conducted at the end of the financial year. Going forward the SIU will project an amount to be impaired at the beginning of the financial year, based on the projected amount to be invoiced and budget for it accordingly.

35.5 General expenses

The under spending under general expenses is due to the fact that the SIU anticipated incurring expenses relating to moving to new offices in the various regional offices where leases have expired. However, the relocation of offices has not materialised in the 2016/17 financial year and will be incurred in the 2017/18 financial year.

Adjustments to original budget

The approved budget was amended mainly due to the analysis of the investigations anticipated to be implemented in the 2016/17 financial year and the related resource and administrative expenses on these investigations.



LIST OF ABBREVIATIONS / ACRONYMS

ACTT	Anti-Corruption Task Team
ACWG	Anti-Corruption Working Group
Adv	Advocate
AFU	Asset Forfeiture Unit
AGSA	Auditor-General of South Africa
AOD	Acknowledgement of Debt
APP	Annual Performance Plan
BCM	Buffalo City Metropolitan Municipality
CAACC	Commonwealth Africa Anti – Corruption Centre
CARA	Criminal Assets Recovery Account
CC	Close Corporation
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGO	Central Government Office
CIDB	Construction Industry Development Board
CIBD Act	2000 (ACT no 38 OF 2000)
CIPC	Companies and Intellectual Property Commission
COID	Compensation for Occupational Injuries and Deceases(Act No. 130 of 1993)
CoGTA	Department of Cooperative Governance and Traditional Affairs
DBE	Department of Basic Education
DBSA	Development Bank of South Africa
DC	Disciplinary Committee
DCS	Department of Correctional Services
DEFS	Department Education for the Free State
DHA	Department of Home Affairs
DoAFF	Department of Agriculture, Forestry and Fisheries
DoJ&CD	Department of Justice and Constitutional Development
DoJ&CS	Department of Justice and Correctional Services
DOTS	Deeds Office Tracking System
DPCI	Directorate for Priority Crimes Investigation (the Hawks)
DPW	Department of Public Works
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DRS	Deeds Registration System
DWA	Department of Water Affairs
EC	Eastern Cape
EMM	Ekurhuleni Metropolitan Municipality
eNaTiS	Electronic National Traffic Information System
EU	European Union
EXCO	Executive Committee
FIC	Financial Intelligence Centre

FMPPi	Framework for Managing Programme Performance Information
FMPL	Financial Management of Parliament and Provincial Legislatures Act 2009 (Act no. 10 of 2009)
FNB	First National Bank
FS	Free State
FSAPP	Framework for Strategic plan and Annual Performance Plan
GEPF	Government Employee Pension Fund
GDoH	Gauteng Department of Health
GF	Guardian's Fund
GID	Gauteng Infrastructure Development
GKM	Great Kei Local Municipality
GRAP	Generally Recognised Accounting Practice
GTLM	Greater Taung Local Municipality
HOU	Head of the Unit
HR	Human Resources
IBM	International Business Machines
ICT	Information and Communications Technology
IDP	Integrated Development Planning
IDT	Independent Development Trust
IFMS	Integrated Financial Management System
IIU	Internal Integrity Unit
IPSASB	International Public Sector Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
ISA	International Standard on Auditing
IT	Information Technology
JCPS	Justice, Crime Prevention and Security
KZN	KwaZulu-Natal
LCU	Live Capturing Unit
MEC	Member of the Executive Council
MEEC	Mpumalanga Economic Empowerment Corporation Limited
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISS	Minimum Information Security Standards
MKLM	Moses Kotane Local Municipality
MLM	Msunduzi Local Municipality
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPC	Mvela Phanda Construction
MSA	Municipal Systems Act
NDHS	National Department of Human Settlements
NDoBE	National Department of Basic Education
NDoH	National Department of Health

NEHAWU	National Education, Health and Allied Workers' Union
NHC	National Housing Code
NPA	National Prosecuting Authority
NWM	North West Province Municipalities
PAA	Public Audit Act of South Africa, 2004 (Act No.25 of 2004)
PAIA	Promotion of Access to Information (Act No.2 of 2000)
PAJA	Promotion of Administrative Justice Act
PAYE	Pay As You Earn
PFMA	Public Finance Management Act
PMO	Project Management Office
PMRF	Performance Management and Reporting Framework
POCA	Prevention of Organised Crime Act
PPPFA	Preferential Procurement Policy Framework Act
PRECCA	Prevention and Combating of Corrupt Activities Act
PSETA	Public Service Sector Education and Training Authority
PSIRA	Private Security Industry Regulatory Authority
R/D	Return to Drawer
RFP	Request for Proposals
RLM	Rustenburg Local Municipality
SABC	South African Broadcasting Corporation
SADC	Southern African Development Community
SANACO	South African National Apex Tertiary Co-operative Ltd
SAPO	South African Post Office
SAPS	South African Police Service
SARS	South African Revenue Service
SCM	Supply Chain Management
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SIU Act	Special Investigating Units and Special Tribunal Act
SLA	Service Level Agreement
SMS	Senior Management Service
Socpen	Social Pensions System
SOP	Standard Operating Procedures
SSA	State Security Agency
TMM	Tshwane Metropolitan Municipality
UIF	Unemployment Insurance Fund
UNODC	United Nations Office on Drugs and Crime
USAASA	Universal Service and Access Agency of South Africa
VAT	Value Added Tax
VIP toilets	Ventilated Improved Pit toilets
VLM	Ventersdorp Local Municipality

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our VISION

WORKING TOGETHER TOWARDS RIDDING
SOCIETY OF CORRUPTION, MALPRACTICE
AND MALADMINISTRATION.

our MISSION

CO-OPERATING WITH OTHER STATE ENTITIES
TO FIGHT CORRUPTION, MALPRACTICE
AND MALADMINISTRATION EFFECTIVELY
THROUGH FORENSIC INVESTIGATIONS,
CIVIL PROCEEDINGS, REFERRALS FOR
CRIMINAL PROSECUTION AND REFERRALS
FOR DISCIPLINARY ACTION.

our VALUES

- » INTEGRITY
- » CO-OPERATION
- » PROFESSIONALISM
- » DRIVE AND PASSION
- » EFFECTIVENESS
- » INDEPENDENCE



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