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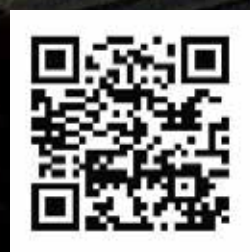
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SPECIAL INVESTIGATING UNIT 2019 / 20 ANNUAL REPORT



POISED TO STRIKE
against corruption

ANNUAL REPORT

2019/20

4TH CONSECUTIVE
CLEAN AUDIT

VISION

The State's preferred and trusted anti-corruption, forensic investigation and litigation agency.

MISSION

With integrity, we investigate serious malpractices or maladministration in the administration of the State, as well as, any conduct which may seriously harm the interests of the public and instituting and conducting civil proceedings in any court of law or Special Tribunals in its own name or on behalf of State institutions.

INTERGRITY | CO-OPERATION | TEAMWORK | PROFESSIONALISM | EFFECIENCY | INDEPENDENCE | DRIVE AND PASSION

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PART A

GENERAL INFORMATION

ACRONYMS

1. Foreword by the Minister of Justice and Correctional Services
2. Report of the Accounting Authority
3. Statement of Responsibility and Confirmation of Accuracy of the Annual Report
4. Strategic Overview
5. Legislative Mandate and Other Mandates
6. SIU Leadership

ACRONYMS

| | |
|------------------|---|
| ACTT | Anti-Corruption Task Team |
| AFU | Asset Forfeiture Unit |
| AGSA | Auditor-General of South Africa |
| CoGTA | Cooperative Governance and Traditional Affairs |
| EE | Employment Equity |
| FY | Financial Year |
| 4IR | Fourth Industrial Revolution |
| HC | Human Capital |
| HSACF | Health Sector Anti-Corruption Forum |
| ICT | Information and Communication Technology |
| JCPS | Justice, Crime Prevention and Security Cluster |
| LAN | Local Area Network |
| LGACF | Local Government Anti-Corruption Forum |
| NACS | National Anti-Corruption Strategy |
| NDP | National Development Plan |
| PPEs | Personal Protective Equipment |
| SALGA | South African Local Government Association |
| SARS-COV2 | Severe Acute Respiratory Syndrome Coronavirus 2 |
| SSA | State Security Agency |
| SCOPA | Standing Committee on Public Accounts |
| SOEs | State-Owned Entities |
| SMMEs | Small, Medium and Micro Enterprises |
| WAN | Wide Area Network |

FOREWORD BY THE MINISTER OF JUSTICE AND CORRECTIONAL SERVICES

"Corruption remains a challenge both in the public and private sectors."

"The high levels of malfeasance have over time infiltrated many State-Owned Entities meant to provide critical services to the poor... The SIU's mandate should be firmly underpinned by its ability to operate independently and without fear or favour."

It is my pleasure to present the Special Investigating Unit's (SIU) Annual Report for the financial year 2019/20. The year under review coincided with a critical period in the history of our country's young democracy as we celebrate our 26th anniversary.

For the SIU in particular, this annual report closes our reportage on the implementation of our previous five-year Strategic Plan. It also comes at a time where we are called upon to take stock of the financial year that was and examine the degree to which we have succeeded in fulfilling our mandate to give practical expression to our specific commitments in the overall government mandate.

However, Corruption remains a challenge both in the public and private sectors. It is usually referred to as a predicate offence as it is often committed in conjunction with a range of other crimes such as money laundering and organised crime with an objective to unduly obtain economic or financial benefits. In many cases, corruption and other economic or financial crimes are transnational. Additionally, the high levels of malfeasance have over time infiltrated many state-owned institutions meant to provide critical services to the poor and protect their rights as enshrined in the Constitution. They have also crippled their ability to function optimally.

Over the years, the mandate of the SIU, as a schedule 3A public entity, has been very clear. The Unit was established to investigate serious acts of maladministration, malpractice and corruption relating to state institutions, state assets and the misuse of public money. As such, it is imperative that we ensure that the work conducted by the SIU guards against this phenomenon. The Unit's mandate should be firmly underpinned by its ability to operate independently, without fear or favour.

At times there may be a push back from those being investigated, or attempts to cast doubt on the probes undertaken, however this should never deter the SIU from fulfilling its mandate. The Unit and its management must remain resolute in rooting out the deep-seeded acts of corruption and the embezzlement of state resources knowing that government is fully behind it.



Fighting corruption is one of the key focus areas of the Sixth Administration. Cabinet has approved the National Anti-Corruption Strategy (NACS) for implementation. SIU is expected to play its role in collaboration with other law enforcement agencies to ensure that the objectives of the NACS are achieved. We will ensure the necessary support is provided to the SIU including mobilizing much needed resources for the unit.

The SIU continues to fully participate and contribute in various international platforms. These include the G20 Anti-Corruption Working Group, the African Union Anti-Corruption Convention, the United Nations Convention Against Corruption, Commonwealth Africa Anti-Corruption Agencies, the Financial Action Task Force, to mention just a few. The Unit also continues to cooperate with these international bodies in many areas of interest such as corruption prevention, investigations and asset recovery. These mutual co-operations are governed by international conventions, which the South African government is a signatory to, through the Department of International Relations and Cooperation. To this end, the SIU has contributed meaningfully through the development of various international best practice strategies and documents on corruption.

As part of its contribution to implementing preventive measures as detailed in articles 5 and 6 of Chapter II of the United Nations Convention Against Corruption, the SIU has revised its operating model to ensure that the value chain inculcates awareness, outreach and advisory services to state institutions as well as civil society.

The Unit's latest initiative is aimed at taking a proactive and well-coordinated approach in the prevention of corruption and maladministration, and also speaks to the obligations imposed by the National Anti-Corruption Strategy on State institutions. In terms of the SIU's prevention-awareness conceptual model, the Unit aims to take a leading role in South Africa to prevent fraud and corruption by focusing on societal values and systems that make it difficult to engage in acts of corruption. To achieve this, we seek to increase our work in targeting anti-corruption behaviour through awareness and outreach activities by educating the public against the evils of corruption, by advising on measures to foster public support in combating corruption, hosting educational programmes for the public sector including the youth and by conducting data analytics and modelling to identify corruption vulnerable sectors and assist the state institutions to be proactive in implementing measures to curb corruption.

The Special Tribunal greatly contributes to the speedy resolution of civil litigation matters initiated by the SIU and further ensures the recovery of losses suffered by state institutions. The Special Tribunal has jurisdiction to adjudicate upon any civil dispute brought before it by the SIU or any interested party, emanating from the investigation by SIU, including the power to issue suspension orders, interlocutory orders or interdicts on an application by such Unit or party. To date, the Special Tribunal has enrolled 35 cases involving contracts to the value of R5.8 billion.

As part of government's attempts to accelerate service delivery to South Africans, the Health Sector Anticorruption Forum (HSACF) was established as a direct response to the Presidential Health Compact that requires all sectors to collaborate and implement initiatives that will address challenges in the health sector. The Forum was officially launched by President Cyril Ramaphosa on 1 October 2019. It comprises of various stakeholders such as civil society, law enforcement agencies, health sector regulators, government departments as well as the private sector. The HSACF is convened by the SIU under the leadership of Advocate Andy Mothibi through the Anti-Corruption Task Team (ACTT). The main objective of the HSACF is to collaborate with other entities in the fight against corruption, identify areas of co-operation to enhance prevention, the detection and prosecution of corruption in the Health Sector. To date, the SIU has received more than twenty (20) allegations, which have been processed through the Steering Committee.

In their endeavours to tackle corruption, the SIU, as the Convener of Programme 4 of the ACTT, has identified sectors vulnerable to fraud and corruption in collaboration with other ACTT stakeholders, as informed by the office of the Auditor-General of South Africa (AGSA) and Parliament's Standing Committee on Public Accounts (SCOPA)'s reports. These vulnerable sectors include Health; Construction; State-Owned Entities (SOEs); Finance; Local Government; Energy (Independent Private Providers); Mining; Water; Transport; Real Estate; Education; Information and Communication Technology (ICT); Small, Medium and Micro Enterprises (SMMEs); Border Management and Defence / Armaments.

Critical factors considered in identifying these vulnerable sectors included industry case studies, the nature of their business, the magnitude of transactions and financial amounts involved, the propensity of actors that conduct business with the government, high exposure to corruption, government's spending on the sector, national and/or foreign interest and

security, the National Development Plan's (NDP's) focus areas and 14-point plan to bolster the country's economic growth.

As part of these initiatives, the SIU continues to coordinate the work of the HSACF, where significant strides have been made regarding allegations reported to the HSACF. Such allegations are being investigated by the SIU through Proclamations issued by the President, or alternatively referred to other members of the HSACF who are best placed to deal with such matters based on their statutory mandates. The SIU is also working with CoGTA to establish the Local Government Anti-Corruption Forum.

COVID-19 has altered life as we know it. For South Africans, it has presented a myriad of challenges, as well as an opportunity to reflect on our diversity and what we can do as a country when we are unified or socially apart. The President has since signed Proclamation R23 of 2020 that has seen the SIU conduct investigations at all state institutions. These investigations relate to COVID-19 procurement processes including allegations of serious maladministration and the misuse of COVID-19 funds to procure Personal Protective Equipment (PPEs). The probe will further look into the improper or unlawful conduct by officials or employees of the State; the unlawful appropriation or expenditure of public money or property; the unlawful, irregular or unapproved acquisitive act, transactions as well as the intentional or negligent loss of public money or damage to public property.

The SIU will also probe the unlawful and improper conduct by any person or official which has caused or may in the future cause serious harm to the interests of the public. All investigations will be analysed from the period starting 1 January 2020 and the date of publication of the Proclamation, or after the date of publication of the proclamation.

To date, almost 700 companies have been identified to be investigated for procurement irregularities linked PPE contracts to the estimated value of over R7.5 billion. Meanwhile, we applaud every man and woman who has been on the frontline in serving South Africans with dignity and pride and salute those who have lost their lives while working fearlessly to rid our country of malfeasance. Their efforts will never go unnoticed.

While the year under review has proved to be one filled with a myriad of challenges, we live in the words of President Cyril Ramaphosa that; "We Shall Overcome any storm we face".

We will also overcome and emerge victorious in our continued fight against corruption. To the SIU's management and staff, I wish to commend you for the sterling work and commitment to ensuring that your mandate translates into reality. May you, as public servants, continue to stretch your capacity further and assist in all efforts aimed at delivering an even faster and more efficient service to the public service by curbing corruption and maladministration at our state institutions.



Mr RO Lamola, MP
Minister of Justice and Correctional Services
30 September 2020

REPORT OF THE ACCOUNTING AUTHORITY

"Our management has proven once again its commitment to the SIU execution and delivery of SIU mandate."

"SIU is currently in a strong financial position in that we have managed to build up some cash resources over the last few years."



It affords me great pleasure to present our Annual Report for the 2019/2020 financial year. It provides a detailed account of the Special Investigating Unit (SIU) business activities including its achievements to Parliament, the people of our country, our partners and other stakeholders. This Annual Report further provides a detailed outline of the progress made by the Unit with regards to the accomplishment of our goals during the period under review.

Since the SIU adopted the new strategy, we have over the years focused on implementing business process improvements, which have yielded positive results. The new strategy places emphasis on the positive impact of the SIU work. Several factors contribute to the SIU work making the positive include improvement on the turnaround times of the investigations, reaching the expected legal outcomes and ensuring the implementation of the SIU outcomes and recommendations. As part of our strategic objectives, the SIU has always aimed to proactively influence the systemic and root causes of maladministration and corruption. To this end the SIU has created a Data Analytics function which will conduct data analysis, data modelling and produce trend reports determining sectors which are vulnerable to corruption, maladministration and malpractice. Data analytics will inform the State Institutions on areas of improvement to prevent recurrence of acts of corruption, maladministration and malpractice.

Trends identified during the 2019/20 FY include, inter alia, endemic widespread maladministration and corruption across all three spheres of government, governance challenges including in the Health Sector, Local Government Sector and in the State Owned Entities (SOE's).

As we execute the SIU strategy, we do so taking into account the Strategic Risks which if not adequately mitigated will lead to the SIU failing to achieve its objectives. One of the key strategic risks identified relate to the SIU Funding Model.

The current funding model of the SIU remains a challenge as it relates to the recovery of investigation services invoiced in the medium to longer-term, especially from Municipalities. As

we introduce the amendments to the SIU Act, we will seek to address the current funding model in consultation with all the stakeholders including the National Treasury.

SIU is currently in a strong financial position in that we have managed to build up some cash resources over the last few years. However, this has the potential to rapidly change as we are planning to grow our Human Capital headcount over the next few years in order to meet the high demand of incoming work, and in providing and fulfilling our mandate.

As SIU operates in the current environment that requires digital capability. We are in a process of tooling ourselves for the future. Our tooling for the future programme includes a key focus to improvements in the Information Communications and Technology Area. Our commitment to improving our ICT Infrastructure into a world-class digital organisation planned for the next 3 years has gained significant traction. In the past year ICT commenced with the implementation of the 3 year Strategy which saw critical projects such as the upgrading the Local Area Network (LAN) at regional offices and Wide Area Network (WAN) to a high-speed bandwidth network. We have also replaced the outdated pool of laptops with new robust, secure devices and automated some of the forms and processes that were previously manual thus enabling operational efficiencies as well as digitally transforming the business. Our investigators are now equipped with the ability to securely access our internal systems over the network from any location enabling the "work from anywhere business culture" which is at the heart of any high-performance organisation. This improvements have enabled SIU and its members to operate despite the challenges imposed by COVID-19.

Our Stakeholder and Communication platforms have also evolved with the introduction of a Digital Communication platform that is used internally to keep the SIU members informed at all times on business information and developments. We are now easily accessible on social media platforms such as Twitter and Instagram allowing members of the public to interact with the SIU easily and be kept informed. Our technology roadmap is focusing on building up into the use of Fourth Industrial Revolution (4IR) tools by using Market Data Analytics tools, Artificial Intelligence, Machine Learning and Blockchain technology tools to enhance the quality of our investigations and improve our turnaround times. We are excited by the prospects of what the 4IR technologies bring into our quest to fight corruption.

During the year under review, as part of enhancing stakeholder relations, the Unit hosted stakeholder engagement with the national executive committee of SALGA. This engagement was, among others, intended to initiate the establishment of the municipal sectors anti-corruption forum i.e. Local Government Anti-Corruption Forum which will be launched before the end of this calendar year. Furthermore, the SIU for the first time also undertook a stakeholder survey distributed to state institutions. The results of the survey will be implemented in the revised stakeholder engagement plan. In addition, this financial year saw the SIU increase engagements with the country's print, broadcast and digital media with the intention to publicize its work and the successes achieved. In return, these engagements with the Media have bolstered the SIU's presence in society and have helped it improve its engagement with the public where people have been encouraged to report any acts of corruption through the SIU's whistleblowing hotline. The increased profile and exposure of the SIU has furthermore increased the public's confidence in the Unit and the work it carries out.

Our Human Capital strategic role remains critical and aligned to enable the organization to perform optimally by capacitating the SIU with skilled workforce, skilling our staff, partnering with recognized Trade Union to deliver a sustainable and a conducive working environment, and a culture of high performance organization.

The SIU has made a reasonable transformation progress in terms of its top management level and it is our commitment to advance Employment Equity agenda. As at the end of March 2020, our staff complement totalled 516, of which 493 (95.5%) are permanent, 23 (4.46%) are fixed term as compared to 531 of 2018/19.

It is our commitment to continue advance Employment Equity (EE) and SIU transformation agenda. The proposition on Women employed at Senior and Top Management is 14, which represent 7% of the total Management workforce of 188. However, the total percentage of Women in Management level is 30%, which represents a total of 56 out of the 188 management workforce. Annual targets have been set and will be monitored, taking into consideration the Medium Term Expenditure Framework (MTEF) reporting cycles. The Unit has Ring-fenced positions earmarked for Persons living with Disability. EE Disability target for this 2020/21 financial year is 2% (13). So far 8 positions were advertised at DoL (ESSA), 5 unskilled, 2 semi-skilled and 1 skilled.

Our human Capital initiatives focused on four underlying goals:

- a) Attracting and retaining employees with high potential
- b) Entrenching a fresh organisational culture "Do Culture"

- c) Developing employees to meet operational skills requirements and improve efficiency
- d) Maintaining and enhancing effective employee performance

To achieve our planned strategic goals, the organisation previously embarked on comprehensive re-organization program which we called 'Project Siyakha', which led to review of the SIU organisational structure and re-designing the business value-chain and job profiles. The key deliverables achieved included: a) The revised organizational structure; b) The new value chain; c) Job profiles and d) Job grades. The successful implementation of the Project Siyakha can be attributed to a number of engagements with staff the recognized Trade Union that took place during the re-organisation program and the resultant staff placement in process.

A project plan has been developed for the rollout of the new output based performance management system. A policy has already been developed and being socialized with staff. Management is in consultation recognised Union with a view to implement a full Performance Management system. The engagement and roll-out of an output based performance management system is of paramount importance from an organizational development perspective and engagements are in progress with recognized Union. Through this system, individuals will ultimately be held responsible and accountable for their individual performance to achieve organisational performance.

The roll-out of the critical Learning & Development Interventions in line with Business Units' needs, including the Forensic Investigations Development Internship Programme, Forensics DARWIN Tool and Leadership Development Programme, etc. has been of great success. A total of 62 SIU members have been awarded bursaries at an actual cost of R 787 000.00 for the year 2019/20. The finalisation of the remuneration strategy and policy remains one of the outstanding key deliverables in terms of the Siyakha rollout and are receiving urgent attention. Some of the key health and wellness initiatives for the year under review included awareness training sessions on Mental Health, Men & Women's Health sessions, SIU Wellness day and HIV/Aids road shows.

The targeted vacancy rate of 12% implied that on the total planned headcount of 673, at least 76 external employees should have been recruited during the 2019/20 financial year. This however did not materialize, due to an agreement that had to be concluded with organized labour regarding the intended recruitment processes. Given the circumstances, the realism of the vacancy rate was also re-assessed for the 2020/21 financial year, and recruitment has already commenced in order to resource the SIU appropriately and to reduce the vacancy rate.

As a result of the work carried out during the 2019/20 financial year, the SIU has realised notable achievements. These include the completion of 19 reports that were submitted to the Presidency. Furthermore, 451 referrals have been forwarded to the National Prosecuting Authority while the SIU has also managed to prevent up to R400 million in potential losses. Currently, the SIU has active investigations into corruption in the Free State Department of Health, Eskom, departments in the North West provincial government, Denel, the State Information Technology Agency and the National Department of Water and Sanitation, among others. In the year 2020, President Cyril Ramaphosa widened the scope of work for the Unit in making new proclamations including

the Proclamation for the investigations of the Covid – 19 corruption, maladministration and malpractice, however, more work beckons for all of us in order to realise more achievements now and beyond this period under review. The SIU continues to pride itself in good governance, sound financial management and maintaining sound internal control environment. This is demonstrated by the SIU having achieved, for the fourth consecutive year, a “clean audit” outcome, as a result of:

- The Annual Financial Statements being free from any material misstatements;
- No material findings on the usefulness and reliability of the reported performance information;
- No material findings on compliance with key legislation;
- No material deficiencies in internal controls.

The Internal Audit risk-based 2019/20 plan was implemented in line with it being approved by the Audit Committee and 95 % (17/18) of the audits were completed for the year. The overall conclusion on the status of Internal Control based on the audits completed within the period is that controls are adequate but not wholly effective. Management was also committed in ensuring that all findings raised by both the internal and external audit are resolved and this was monitored through monthly and bi-monthly internal Audit Steering Committee meetings, Executive Management Committee meetings and quarterly by the Audit Committee to ensure that there is continuous improvement to the control environment and the risk of recurring findings is mitigated.

In considering the work that has been carried out throughout the Financial Year under review, it is with the greatest honour that I pass appreciation to the Minister of Justice and Correctional Services, Deputy Minister of Justice, The Presidency,

The Portfolio Committee on Justice and Correctional Services for the support, all stakeholders, partners and the SIU staff. We value the contribution of all our stakeholders in the JCPS cluster who continue to play a significant role to assist our efforts to coordinate and to collaborate effectively towards the achievement of all our objectives.

The successes we have registered as SIU throughout the past five years of implementation of our strategy, the lessons learnt during that period and the measures put in place to improve our areas of weakness is owed to all men and women employed in the SIU in various capacities. Our management has proven once again its commitment to the SIU execution and delivery of SIU mandate.



Adv. Andy Mothibi
Accounting Authority
30 September 2020

3. 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 E) have been prepared in accordance with the Generally Recognised Accounting Practice 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 2020.

Yours faithfully



Adv. Andy Mothibi
Accounting Authority
30 September 2020

4. STRATEGIC OVERVIEW



VISION

"The State's preferred and trusted anti-corruption, forensic investigation and litigation agency."



MISSION

"With integrity, we investigate serious malpractices or maladministration in the administration of the State, as well as, any conduct which may seriously harm the interests of the public and instituting and conducting civil proceedings in any court of law or Special Tribunals in its own name or on behalf of State institutions."

VALUES



Integrity

Doing the right thing even when no one is watching.



Cooperation

Supporting and enabling all stakeholders in the fight against corruption.



Team Work

Fostering synergy in a multi-disciplinary and diverse environment.



Professionalism

Developing and maintaining the highest standards.



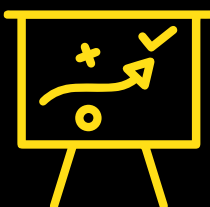
Independence

Acting without fear, favour or prejudice.



Drive and Passion

Ensuring that all tasks are performed with the requisite drive and passion.



Efficiency

Doing the right thing in a timely and cost-effective manner

5. Legislative Mandate and Other Mandates

5.1 Constitutional Mandate

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

Table 1: Constitutional Mandate

| Constitution | |
|-------------------|---|
| Section 32 | Access to Information (1) Everyone has the right of access to <ul style="list-style-type: none"> a) any information held by the state; and b) any information that is held by another person and that is required for the exercise or protection of any rights. (2) National legislation must be enacted to give effect to this right and may provide for reasonable measures to alleviate the administrative and financial burden on the state. |
| Section 33 | Just administrative action (1) Everyone has the right to administrative action that is lawful, reasonable and procedurally fair. (2) Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons. (3) National legislation must be enacted to give effect to these rights, and must <ul style="list-style-type: none"> a) Provide for the review of administrative action by a court, or, where appropriate, an independent and impartial tribunal; b) Impose a duty on the state to give effect to the rights in subsections (1) and (2); and c) Promote an efficient administration. |
| Section 34 | Access to Courts Everyone has the right to have any dispute that can be managed and adjudicated by the application of law decided in a fair public hearing before a court; or where appropriate, another independent and impartial tribunal or forum. |

5.2 Legislative Mandate

In terms of the PFMA, the SIU falls under Schedule 3A Public Entities and its work is governed by a legislative framework as set out below:

Table 2: 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. |

| Name of Act | Purpose |
|---|--|
| Criminal Procedure Act, 51 of 1977 (Act 51 of 1977) | 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; to provide for the establishment and endorsement of a register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts; to place duty on certain persons holding a position of authority to report certain corrupt transactions; to provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities; and to provide for, matters connected therewith. |

The SIU derives its mandate from Act 74 of 1996, in particular **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 a 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).

SIU LEADERSHIP



Adv. Andy Mothibi
Head of the Unit



Adv. Caroline Mampuru (Resigned)
Deputy Head of the Unit



Dr. Jerome Wells
Chief Legal Counsel



Mr. Thulani Mkhungo
Chief Risk Officer



Ms. Nazreen Pandor (Resigned)
Head Stakeholder Relations
& Communications



Mr. Kaizer Kganyago
Head Stakeholder Relations
& Communications



Mrs. Neptune Masombuka
Chief Human Capital Officer



Mr. Leonard Lekgetho
Chief National
Investigations Officer



Mr. Ziphozenkosi Mguli
Head Strategy,
Monitoring & Reporting



Mr. Andre Gernandt
Chief Financial Officer



Mr. Pranesh Maharaj
Chief Programme
Portfolio Officer



Mrs. Tumelo Zwane
Chief Information Officer



Ms. Boaratwa Leshope
Chief Audit Executive



PART B

PERFORMANCE INFORMATION

ACRONYMS

1. Strategic Goals and Objectives
2. Performance Information
3. Proclamations
 - 3.1 Proclamations Issued During the Period Under Review
 - 3.2 Completed Proclamations (Presidential Reports)
 - 3.3 Ongoing Proclamations
4. Summary of Civil Litigations

ACRONYMS

| | |
|---------------------|--|
| AFU | Asset Forfeiture Unit |
| AGRISETA | Agriculture Sector Education and Training Authority |
| ANDM | Alfred Nzo District Municipality |
| AOD | Acknowledgement of Debt |
| AOL | Acknowledgement of Liability |
| APP | Annual Performance Plan |
| B - BBEE | Broad-Based Black Economic Empowerment |
| BBLM | Bushbuckridge Local Municipality |
| BCMM | Buffalo City Metro Municipality |
| CEO | Chief Executive Officer |
| CIDB | Construction Industry Development Board |
| CoGTA | National Department of Co-operative Governance and Traditional Affairs |
| CVD | Centurion Vision Development |
| DBE | Department of Basic Education |
| DCS | Department of Correctional Services |
| DEFS | Department of Education Free State |
| DM | District Municipality |
| DoC | Department of Communications |
| DoT | Department of Transport |
| DoJ & CD | Department of Justice and Constitutional Development |
| DPW | Department of Public Works |
| DR | Disaster Recovery |
| DRDLR | Department of Rural Development and Land Reform |
| DSD | Department of Social Development |
| DWA | Department of Water Affairs |
| EA | Enterprise Agreement |
| ECDoE | Eastern Cape Department of Education |

| | |
|----------------|--|
| ECDS | Eastern Cape Department of Social Development |
| ECP | Eastern Cape Province |
| EKMM | eThekweni Metropolitan Municipality |
| EMLM | Elias Motsoaledi Local Municipality |
| eNaTIS | Electronic National Traffic Information System |
| ERM | Enterprise Risk Management |
| ESS | Engineering System Solutions |
| FIC | Financial Intelligence Centre |
| FICA | Financial Intelligence Centre Act |
| FY | Financial Year |
| FS DHS | Free State Department of Human Settlements |
| FSP DoH | Free State Department of Health |
| GDHS | Gauteng Department of Human Settlements |
| GDoH | Gauteng Provincial Department of Health |
| GIAMA | Government Immovable Asset Management Act |
| GSDM | Greater Sekhukhune District Municipality |
| GTLM | Greater Tloane Local Municipality |
| HoU | Head of the Unit |
| IAU | Internal Audit Unit |
| IBM | International Business Machines Corporation |
| ICT | Information Communication Technology |
| IDT | Independent Development Trust |
| IEDU | Infrastructure and Economic Development Unit |
| IT | Information Technology |
| KZN | Kwa-Zulu Natal |
| LAN | Local Area Network |
| LNW | Lepelle Northern Water |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant |
| MoA | Memorandum of Agreement |

| | |
|----------------|---|
| MSW | Masetloaka Scott Wilson |
| MSA | Municipal Systems A |
| NIA | National Intelligence Agency |
| NPA | National Prosecuting Authority |
| NRTA | National Road Traffic Act |
| NW | North West |
| NWM | North West Province Municipality |
| NW RT | North West Department of Public Works, Road and Transport |
| PAJA | Promotion of Administrative Justice Act |
| PFMA | Public Finance Management Act |
| POCA | Prevention of Organised Crime Act |
| PRECCA | Prevention and Combating of Corrupt Activities Act |
| PSETA | Public Service Sector Education and Training Authority |
| PSIRA | Private Security Industry Regulatory Authority |
| RMLM | Raymond Mhlaba Local Municipality |
| SABC | South African Broadcasting Corporation |
| SANACO | South African National Apex Tertiary Co-operative Ltd |
| SAPO | South African Post Office |
| SAPS | South African Police Service |
| SARS | South African Revenue Service |
| SASSA | South African Social Security Agency |
| SCM | Supply Chain Management |
| SITA | State Information Technology Agency |
| SIU | Special Investigating Unit |
| SOE | State-Owned Entity |
| SSA | State Security Agency |
| TCC | Tax Clearance Certificate |
| TS TVET | Tshwane South Technical and Vocational Education and Training College |
| USAASA | Universal Service and Access Agency of South Africa |
| WAN | Wide Area Network |
| VAT | Value-Added Tax |

1. STRATEGIC GOALS AND OBJECTIVES

The SIU's goals were derived from an extensive assessment of the macro-environment within which the SIU operates; its internal strengths and weaknesses, as well as its external opportunities and threats. Critical challenges and opportunities facing the SIU were reviewed, refined and reshaped to define critical areas of focus for the SIU over the next five years.

The following Strategic Goals were pursued by the SIU over the period 2015 - 2020 and received a clear focus in the 2018/19 Annual Performance Plan. They are aligned to detailed and measurable objectives, which provide a way to commit resources and accountabilities to a particular course of action. The strategic objectives are supported by performance indicators projects and/or activities which are detailed in the APP as well as in the operational plans of the organisation.

The below table sets out the alignment between the SIU's Strategic Goals and the Strategic Objectives:

Table 3: Strategic Goals and Strategic objectives

| Strategic Goals | Strategic Objectives |
|---|--|
| To enable core services to perform optimally | <ul style="list-style-type: none"> To provide compliant and sustainable financial services in accordance with service delivery standards. |
| | <ul style="list-style-type: none"> To attract a skilled workforce that is managed within a performance driven environment. |
| | <ul style="list-style-type: none"> To provide appropriate ICT services in accordance with set standards. |
| | <ul style="list-style-type: none"> To collaborate with stakeholders in support of enhanced service delivery and core business objectives. |
| | <ul style="list-style-type: none"> To provide support for strategic and organisational performance management. |
| | <ul style="list-style-type: none"> To protect the SIU from potential legal risks. |
| | <ul style="list-style-type: none"> To protect the SIU integrity from internal and external threats. |
| | <ul style="list-style-type: none"> To assess internal controls through internal audits. |
| | <ul style="list-style-type: none"> To enable the Unit to become risk intelligent. |
| To achieve appropriate legal outcomes against perpetrators of maladministration and corruption | <ul style="list-style-type: none"> To ensure that each case is centrally reported and monitored. |
| | <ul style="list-style-type: none"> To ensure that each allegation is assessed in accordance with standardised criteria. |
| | <ul style="list-style-type: none"> To conduct forensic investigations according to predetermined standards. |
| | <ul style="list-style-type: none"> To initiate the implementation of legal recommendations. |
| | <ul style="list-style-type: none"> To increase legal outcomes based on civil and other proceedings. |
| To influence proactively the systemic and behavioural root causes of maladministration and corruption | <ul style="list-style-type: none"> To direct internal and influence external strategic decision-making processes through data analysis. |
| | <ul style="list-style-type: none"> To assist State institutions with the prevention of the recurrence of reported cases. |
| | <ul style="list-style-type: none"> To increase public awareness about targeted anti-corruption behaviour. |

2. PERFORMANCE INFORMATION

2.1 Budget Programme Structure

The SIU budget programme structure comprises of three programmes as set below:

Programme 1: Administration

Programme 2: Investigations and Legal Counsel

Programme 3: Market Data Analytics and Prevention

Programme 1 comprises of the following sub-programmes:

- Financial Management: Financial management, asset management, facilities and supply chain management services
- Human Capital: Human capital planning and provisioning services
- Information and Communication Technology: Provision of information communication and technology management services
- Enablement Services: Communications and Stakeholder Management, Strategy Planning, Monitoring and Reporting, Corporate Governance, Corporate Legal and the Office of the HOU services
- Assurance: Internal Audit, Risk Management and Internal Integrity Services

Programme 2 comprises of the following sub-programmes:

- Central Case Registration and Monitoring
- Case Assessment
- Case Management and Investigation
- Forensic Legal and Civil Litigation

Programme 3 comprises of the following sub-programmes:

- Market Data Analytics
- Prevention and Advisory
- Awareness

2.2 SIU CORE BUSINESS PERFORMANCE HIGHLIGHTS



2.3 Performance Information by Budget Programme

PROGRAMME 1: ADMINISTRATION

PURPOSE: Provide business oversight and the enabling enablement services to the core functions of the SIU.

| Strategic Objective | Performance Indicator | Previous financial years actual achievement | | Financial year under review | | Deviation from planned Target to Actual Achievement | Comment on deviation |
|--|--|---|---|-----------------------------|--|---|--|
| | | 2017/18 | 2018/19 | Planned Target 2019/20 | Actual Achievement 2019/20 | | |
| 1. To provide compliant and sustainable financial services in accordance with service delivery standards | 1.1 Percentage of valid invoices paid within 30 days or as per agreed payment terms. | - | The invoice tracking system was not fully operational | 95% | 94% | 1% | Currently, there are no electronic systems and/or reports to warn employees that the 30 days target are nearing the relevant deadlines. Relevant electronic notification and reporting systems to pro-actively warn responsible employees about payment deadlines will be employed. |
| 2. To attract a skilled workforce that is managed within a performance driven environment | 2.1 Percentage of vacancy rate maintained | - | | 12% | 23% | 11% | The conclusion of the Agreement with recognised Union delayed than anticipated due to the complexity of issues, which affected recruitment. With the conclusion of the Agreement, focus in the 2020/21 FY will be on the acceleration of the recruitment. A monitoring mechanism to track the recruitment progress will also be developed and implemented. |
| | 2.2 Percentage of signed performance agreements. | - | | 80% | 0% | 80% | The progress registered with regards to the key building blocks following the concluding the agreement with recognised Union will facilitate the fast tracking of implementation in the new financial year. A commitment has been secured from the management team to accord this holistic process the necessary prioritization |
| 3. To provide appropriate ICT services in accordance with set standards | 3.1 Percentage implementation of the 3-year ICT plan. | - | The 3-year ICT Plan was still a draft; however, the following projects were completed from the unapproved ICT Plan: Laptop refresher tender was advertised and partly evaluated. | 75% | 31% ² (11 activities in the implementation plan of the signed 3-year ICT Plan were completed and 2 were partially achieved in the 2019/20 FY. This is out of 36 activities which is the total number of activities over the 3-year period). | 44% | Due to the nature of changes within the ICT space, the implementation plan in the signed ICT plan was revised which led to reprioritisation of activities in the plan. However, the revised implementation plan was not signed and therefore the initial implementation plan was used for the measurement of planned activities against those achieved. |

| Strategic Objective | Performance Indicator | Previous financial years actual achievement | | Financial year under review | | Deviation from planned Target to Actual Achievement | Comment on deviation |
|--|---|--|--|-----------------------------------|--|---|--|
| | | 2017/18 | 2018/19 | Planned Target 2019/20 | Actual Achievement 2019/20 | | |
| | | | The planning of the renewal of the Wide Area Network and mobile data connection services had also been completed by 31 March 2019. | | In addition, the following activities were also completed but were not planned for 2019/20 - Microsoft EA Renewal - Laptop Sanitization - Regional on-prem Storage - LAN Upgrades - DR Site implemented. - Reviewed and Approved IT policies | - | |
| 4. To collaborate with stakeholders in support of enhanced service delivery and core business objectives | 4.1 Number of stakeholder surveys conducted 4.2 Implementation of the SIU governance framework | - | 1 stakeholder survey conducted | 1 | No Stakeholder survey was conducted | - | - |
| | | | | Approved SIU Governance Framework | SIU Governance Framework approved by HoU in August 2020. | - | The non-achievement is due to the vacancy of the position of head of Communications and delayed appointment of the new Head of Communications. This affected the implementation of the planned target. The recommendation of the survey that was conducted in the 2018/19 FY will be included into stakeholder strategy that will be developed in the first quarter of the 2020/21FY. This process will determine when the next survey will be conducted. |
| 5. To provide support for strategic and organizational performance management | 5.1 Number of quarterly performance reports produced per year | 4 quarterly performance reports were produced and submitted to the Executive Authority | 4 quarterly performance reports were produced and submitted to the Executive Authority | 4 | 4 quarterly performance reports were produced and submitted to the Executive Authority | - | - |

² The 13 activities include one activity (IT Governance Structure improved) which was planned for 2020/21 but was completed in the 2019/20 FY.

| Strategic Objective | Performance Indicator | Previous financial years actual achievement | | Financial year under review | | Deviation from planned Target to Actual Achievement | Comment on deviation |
|--|---|---|---|---|--|---|--|
| | | 2017/18 | 2018/19 | Planned Target 2019/20 | Actual Achievement 2019/20 | | |
| | 5.2 Submission of 2020/24 Strategic Plan and 2020/21 Annual Performance Plan to the Minister of Justice and Constitutional Development as per prescribed time frame | 2018/19 APP submitted to the Executive Authority by 31 January 2018 | 2019/20 APP submitted to the Executive Authority by 31 January 2019 | 2020/24 Strategic Plan and 2020/21 APP submitted to the Justice Ministry by 31 January 2020 | | - | |
| 6. To protect the SIU from potential legal risks | 6.1 Percentage implementation of legal compliance framework | - | Draft Compliance Framework with implementation plan was completed | 100% | 20% - Target not achieved - Approved Compliance Framework with Implementation Plan - Draft Compliance Policy - Compliance Risk Policy (Risk Management Framework will be employed) - Draft Legal universe document | 80% | Human Resource constraints, however resource capacitation of the unit will be prioritised in the 2020/21 financial year. |
| 7. To protect the SIU integrity from internal and external threats | 7.1 Percentage of submission of declaration of interests forms controlled for all SIU employees | - | - | 100% | 100% | - | - |
| | 7.2 Fraud Prevention Plan Revised | - | - | Revised Fraud Prevention Plan approved by 30 Dec 2019 | Revised Fraud Prevention Plan approved by 30 Dec 2019 | - | - |

| Strategic Objective | Performance Indicator | Previous financial years actual achievement | | Financial year under review | | Deviation from planned Target to Actual Achievement | Comment on deviation |
|--|--|---|---------|--|--|--|--|
| | | 2017/18 | 2018/19 | Planned Target 2019/20 | Actual Achievement 2019/20 | | |
| | 7.3 Percentage of implementation of the Integrated Security System Business Case | - | - | 40% implementation of the Integrated Security System Business Case | 7% Annual target not achieved, however, the following were delivered: -A contract for the service of 3 Security guards for the Polokwane office was procured. -Security burglar bars were installed in the Polokwane provincial office. -Security officers were deployed to the Durban provincial office | 33 % of the planned deliverables in the Integrated Security System Business Case were not implemented. | The following delays contributed to the non-achievements: -Reviewing of the implementation plan of the integrated Security System Business Case. -Appointment of the Engineer which was meant to assist with the revamping of the SIU current security system. |
| 8. To assess internal controls through internal audits | 8.1 Percentage of approved internal audits conducted in accordance with internal audit plan | - | - | 100% | 95% (21 of 22) audits were conducted. | 5% | The outstanding audit could not be completed due the lockdown closure. |
| 9. To enable the unit to become risk intelligent | 9.1 Improvement of the SIU risk maturity level in accordance with the National Treasury ERM Maturity Rating System National Treasury ERM Maturity Rating System: National Treasury ERM Maturity Rating System: Level 1: Start up Level 2: Development Level 3: Control Level 4: Information Level 5: Managed Level 6: Optimizing | - | - | Level 5 | Level 4.6 | 0.4 | Resource constraints in both the Risk Management and SCM units contributed to the under-achievement. However, capacitation will be prioritised in the next financial year. |

PROGRAMME 2: INVESTIGATIONS AND LEGAL COUNSEL

PURPOSE: To ensure adequate execution of the mandated service delivery of the SIU.

| Strategic Objective | Performance Indicator | Previous financial years actual achievement | | Financial year under review | | Deviation from planned Target to Actual Achievement | Comment on deviation |
|--|--|---|---------|-----------------------------|----------------------------|---|---|
| | | 2017/18 | 2018/19 | Planned Target 2019/20 | Actual Achievement 2019/20 | | |
| 1. To ensure that each case is centrally reported and monitored | 1.1 Percentage of allegations centrally registered for electronic tracking | - | 97% | 100% | 100% | - | - |
| 2. To ensure that each allegation is assessed in accordance with standardized criteria | 2.1 Percentage of centrally registered allegations that are assessed by the assessment committee | - | 100% | 100% | 100% | - | - |
| 3. To conduct forensic investigations according to predetermined standards | 3.1 Number of investigations closed under a published proclamation in accordance with predetermined standards. | 1 556 | 3 430 | 1300 | 2000 | 700 | The following contributed to the over-achievement of this target. -The investigation into licenses for the National Department of Transport proclamation which will result in a significant number of investigations being closed out. -The conflict of interest exercise conducted in the Transnet project |
| | 3.2 Number of reports submitted to the Presidency. | 15 | 20 | 13 | 19 | 6 | The over-achievement is due to the finalisation and submission of final reports in respect of older proclamations that were pending for internal review processes. |
| 4. To initiate the implementation of legal recommendations | 4.1 Number of referrals made to the Relevant Prosecuting Authority. | 148 | 331 | 75 | 451 | 376 | The over-achievement resulted from fast-tracking the finalisation of referrals, and a significant number of these referrals were made from entities, against their directors and board members. |
| | 4.2 Number of referrals made for disciplinary, executive and/or administrative action. | 319 | 335 | 100 | 638 | 538 | The over-achievement was due to the significant number of referrals that were made for individuals, entities and/or institutions/departments being investigated to take administrative action against a person and/or entity, such as application for National Treasury and/or CIDB to blacklist an entity for the contravention of a specific Act or regulation. |

| Strategic Objective | Performance Indicator | Previous financial years actual achievement | | Financial year under review | | Deviation from planned Target to Actual Achievement | Comment on deviation |
|--|--|---|---------|-----------------------------|----------------------------|---|--|
| | | 2017/18 | 2018/19 | Planned Target 2019/20 | Actual Achievement 2019/20 | | |
| 5. To increase legal outcomes based on civil and other proceedings | 5.1 Value of potential losses prevented | R407m | R53,4m | R30m | R400,000,000 | R370 000 000 | The SIU's ongoing investigation into Eskom resulted in the prevention of loss to the value of R400 million resulted in the over-achievement of the planned target. |
| | 5.2 Value of cash recoveries ³ | R333m | R137m | R140m | R345,593,726 | R205,593,726 | Significant contributions that resulted in the over-achievement were made by: - The recovery of R157 million. (IDT) - The High Court ordering that a service provider repays the Department of Telecommunications an amount of R25 million. - The National Department of Transport team in the ECP worked with SAPS and the RTMC and vehicles to the value of R38 million were seized as a result of this operation. National Department of Transport investigation also secured AOD documents for R3,7m. - The Amahlathi Municipality obtained an AFU order for R92m. - Continued efforts with DPW to recover monies owed to them based on the SIU findings made during the DPW Leases investigation. Recoveries were made to the value of R6,7m |
| | 5.3 Value of contract(s) and/or administrative decision(s)/ action(s) set aside or deemed invalid | R797m | R999m | R800m | R4,330,000,000 | R3, 530,000,000 | The over-achievement resulted in the Eskom investigation which managed to cancel a contract to the value of R3,7 billion |
| | 5.4 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) | R2,7bn | R7, 9bn | R1,5bn | R2,165,707,065 | R665,707,065 | There were cases that were instituted in the Special Tribunal which contributed significantly to the over-achievement of this target. |

³ In previous financial years this indicator was split between the value of potential cash to be recovered and the value of actual cash that is recovered.

PROGRAMME 3: MARKET DATA ANALYTICS AND PREVENTION

PURPOSE: The implementation of the relevant and proactive initiatives to prevent the reoccurrence of fraud and corruption cases as a result of systematic weaknesses in the public sector and to positively influence the behaviour of South African citizens

| Strategic Objective | Performance Indicator | Previous financial years actual achievement | | Financial year under review | | Deviation from planned Target to Actual Achievement | Comment on deviation |
|--|--|---|---|-----------------------------|--|---|---|
| | | 2017/18 | 2018/19 | Planned Target 2019/20 | Actual Achievement 2019/20 | | |
| 1. To direct internal and influence external strategic decision-making processes through data analysis | 1.1 Number of internal trend analysis reports issued. | - | 4 | 2 | 2 | - | - |
| | 1.2 Number of external risk assessment and trend analysis reports issued. | - | 4 | 2 | 2 | - | - |
| 2. To assist State institutions with the prevention of the reoccurrence of reported cases | 2.1 Number of systemic improvement plans developed in conjunction with targeted State institutions | - | No systematic improvement plan was developed | 1 | 1 improvement plan developed with DPW (Prestige unit) | - | - |
| 3. To increase public awareness about targeted anti-corruption behaviour | 3.1 Number of targeted awareness campaigns conducted. | - | No targeted awareness campaign was conducted. | 1 | 3 awareness campaigns conducted with NDPW, IH Harris Primary School and EC DoT | 2 additional campaigns were conducted | The awareness session with IH Harris was the one that was planned for the 2019/20 FY. The two additional awareness campaigns are due to the following: The awareness campaign with NDPW was postponed from the 2018/19 FY to the 2019/20 FY. The session with the Eastern Cape dept. of Transport was a request from the department itself to the SIU. |
| | 3.2 Number of public perception surveys conducted. | - | No public perception survey was conducted. | 1 | 1 Public perception survey conducted | - | - |

2.4 Programme 2 Detailed Performance Information with narrative and comparison of 2018/19 vs 2019/20

Strategic Objective 1: To ensure that each case is centrally reported and monitored

| SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020 | | | | |
|---|--------|---------|---------|--|
| Performance measure | | 2018/19 | 2019/20 | Narrative |
| Percentage of allegations centrally registered for electronic tracking | Target | 100% | 100% | A total of 603 allegations were centrally reported and monitored from 1 April 2019 to 31 March 2020. All provincial offices, the office of the CNIO, the IIU, the manager on behalf of the Masters Office referrals and the SIU Info e-mail representative have confirmed that all allegations received for the reporting cycle were submitted for tracking on the Case Management System. |
| | Actual | 97% | 100% | |

Strategic Objective 2: To ensure that each allegation is assessed in accordance with standardized criteria

| SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020 | | | | |
|--|--------|---------|---------|---|
| Performance measure | | 2018/19 | 2019/20 | Narrative |
| Percentage of centrally registered allegations received that are assessed by the assessment committee. | Target | 100% | 100% | 603 allegations were centrally reported and monitored from 1 April 2019 to 31 March 2020. 509 Referrals forwarded to the CAC and have all been assessed. 27 Referrals were with the CAC and in the process of assessment. 67 Referrals were with the Provincial Heads preparing for assessment. |
| | Actual | 100% | 100% | |

Strategic Objective 3: To conduct forensic investigations according to predetermined standards

| SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020 | | | | | | |
|---|--------|---------|---------|-----------|---|---------------------------------------|
| Performance measure | | 2018/19 | 2019/20 | Narrative | | |
| | | | | No | Proc No | Proc Name |
| The number of investigations closed under a published proclamation in accordance with predetermined standards | Target | 1,200 | 1,300 | 57 | R7 of 2014 ext by R599 of 2015 ext by R32 of 2017 | DRDLR and SITA |
| | Actual | 3,430 | 2,000 | 15 | R59 of 2014 | National DPW (Leases) |
| | | | | 35 | R19 of 2016 | CIDB |
| | | | | 42 | R23 of 2016 | KZN DoT |
| | | | | 11 | R32 of 2016 | IDT, DBE and DEFS |
| | | | | 9 | R8 of 2017 ext by R15 of 2018 ext by R16 of 2019 | Mopani District Municipality (Mopani) |
| | | | | 122 | R9 of 2017 | KZN DoA and Mjindi Farming |
| | | | | 1 | R10 of 2017 | HGDM |
| | | | | 1 | R17 of 2017 | DSD ECP |

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020

| Performance measure | | 2018/19 | 2019/20 | Narrative | | |
|---|--------|---------|---------|-----------|--------------------------------|--|
| | | | | No | Proc No | Proc Name |
| | | | | 17 | R23 of 2017 ext by R6 of 2019 | GDoH (Mental health care facilities) |
| | | | | 5 | R25 of 2017 | Lesedi Local Municipality (Lesedi) |
| | | | | 1 | R30 of 2017 R45 of 2019 | KZN Treasury |
| | | | | 3 | R28 of 2017 | DCS and IDT |
| | | | | 129 | R29 of 2017 ext by R19 of 2018 | SABC |
| | | | | 8 | R36 of 2017 | ANDM |
| | | | | 595 | R37 of 2017 | National DoT |
| | | | | 23 | R2 of 2018 R31 of 2019 | NW DPW R&T |
| | | | | 1 | R4 of 2018 | AGRISETA |
| | | | | 8 | R5 of 2018 | TS TVET |
| | | | | 6 | R6 of 2018 | RMLM |
| | | | | 59 | R7 of 2018 | EMLM |
| | | | | 11 | R9 of 2018 | Mbhashe Local Municipality (Mbhashe) |
| | | | | 21 | R10 of 2018 | DCS |
| | | | | 405 | R11 of 2018 | Eskom Holdings SOC Ltd and Transnet SOC Ltd (Transnet) |
| | | | | 4 | R13 of 2018 | Eastern Cape Institutions (Nelson Mandela Funeral) |
| | | | | 299 | R20 of 2018 | National DPW |
| | | | | 14 | R16 of 2018 R25 of 2018 | MICT SETA |
| | | | | 1 | R35 of 2018 | Endumeni Local Municipality (Endumeni) |
| | | | | 97 | R23 of 2019 | HPCSA |
| Number of reports submitted to the Presidency | Target | 12 | 13 | 1 | R38 of 2010 | National DPW |
| | Actual | 20 | 19 | 1 | R21 of 2018 ext by R33 of 2019 | DoJ & CD (Office of the State Attorney) |
| | | | | 1 | R19 of 2018 | SABC |
| | | | | 1 | R27 of 2015 | National DPW |
| | | | | 1 | R14 of 2018 | KZN DoT (Alienation of Land) |
| | | | | 1 | R52 of 2014 | GTLM |
| | | | | 1 | R10 of 2017 | HGDM |
| | | | | 1 | R2 of 2018 | NW DPW R&T |
| | | | | 1 | R53 of 2012 | DRDLR (Land Restitution) |
| | | | | 1 | R18 of 2016 | DCS (EMS) |
| | | | | 1 | R17 of 2017 | DSD ECP |
| | | | | 1 | R42 of 2010 ext by R73 of 2011 | SAPS |
| | | | | 1 | R7 of 2014 | DRDLR and the SITA (Gijima) |

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020

| Performance measure | | 2018/19 | 2019/20 | Narrative | | |
|---------------------|--|---------|---------|-----------|----------------------------|-----------------------------------|
| | | | | No | Proc No | Proc Name |
| | | | | 1 | R7 of 2014 R599 of 2015 | DRDLR and the SITA (Deeds Office) |
| | | | | 1 | R23 of 2016 | KZN DoT |
| | | | | 1 | R35 of 2017 | PSETA |
| | | | | 1 | R36 of 2017 | ANDM |
| | | | | 1 | R6 of 2018 | RMLM |
| | | | | 1 | R26 of 2018 | EKMM |

Strategic Objective 4: To initiate the implementation of legal recommendations

| Performance measure | | 2018/19 | 2019/20 | Narrative | | |
|--|---------------|---------|---------|-----------|---|--|
| | | | | No | Proc No | Proc Name |
| The number of referrals made to the relevant Prosecuting Authority | Target | 75 | 75 | 17 | R62 of 2010 | TMM |
| | Actual | 331 | 451 | 4 | R7 of 2014 ext by R599 of 2015 ext by R32 of 2017 | DRDLR and the SITA |
| | | | | 1 | R18 of 2016 | DCS (EMS) |
| | | | | 44 | R19 of 2016 | CIDB |
| | | | | 7 | R23 of 2016 | KZN DoT |
| | | | | 3 | R32 of 2016 | IDT, the DBE and the DEFS |
| | | | | 2 | R8 of 2017 ext by R15 of 2018 ext by R16 of 2019 | Mopani |
| | | | | 15 | R9 of 2017 | KZN DOA |
| | | | | 6 | R10 of 2017 | HGDM |
| | | | | 4 | R18 of 2017 ext by R43 of 2019 | Thabazimbi Local Municipality (Thabazimbi) |
| | | | | 4 | R19 of 2017 | ANDM |
| | | | | 27 | R23 of 2017 ext by R6 of 2019 | GDoH LE |
| | | | | 28 | R28 of 2017 | DCS and IDT |
| | | | | 18 | R29 of 2017 ext by R19 of 2018 | SABC |
| | | | | 16 | R37 of 2017 | National DoT |
| | | | | 19 | R2 of 2018 R31 of 2019 | NW DPW R&T |
| | | | | 18 | R4 of 2018 | AGRISETA |
| | | | | 1 | R6 of 2018 | RMLM |
| | | | | 8 | R7 of 2018 | EMLM |
| | | | | 25 | R9 of 2018 | Mbhashe |
| | | | | 44 | R10 of 2018 | DCS |
| | | | | 19 | R11 of 2018 | Eskom and Transnet |
| | | | | 50 | R11 of 2018 | Eskom and Transnet |

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020

| Performance measure | | 2018/19 | 2019/20 | Narrative | | |
|---|---------------|---------|---------|-----------|--------------------------------|--|
| | | | | No | Proc No | Proc Name |
| | | | | 18 | R12 of 2018 | LIMRAL |
| | | | | 2 | R13 of 2018 | Nelson Mandela Funeral |
| | | | | 20 | R20 of 2018 | National DPW |
| | | | | 2 | R16 of 2018 ext by R25 of 2018 | MICT SETA |
| | | | | 10 | R26 of 2018 | EKMM |
| | | | | 2 | R27 of 2018 ext by R44 of 2019 | National DWAS |
| | | | | 11 | R35 of 2018 | ELM |
| | | | | 2 | R7 of 2019 | Moretele Local Municipality (Moretele) |
| | | | | 1 | R23 of 2019 | HPCSA |
| | | | | 3 | R39 of 2019 | FS DHS |
| The number of referrals made for disciplinary, executive and/or administrative action | Target | 100 | 100 | 1 | R63 of 2010 | EMM |
| | Actual | 335 | 638 | 3 | R59 of 2014 | National DPW |
| | | | | 48 | R19 of 2016 | CIDB |
| | | | | 2 | R21 of 2016 | Msunduzi Local Municipality (Msunduzi) |
| | | | | 13 | R32 of 2016 | IDT, the DBE and the DEFS |
| | | | | 175 | R9 of 2017 | KZN DoA |
| | | | | 111 | R23 of 2017 ext by R6 of 2019 | GDoH LE |
| | | | | 35 | R28 of 2017 | DCS and IDT |
| | | | | 6 | R29 of 2017 ext by R19 of 2018 | SABC |
| | | | | 2 | R30 of 2017 R45 of 2019 | KZN Treasury |
| | | | | 29 | R37 of 2017 | National DoT |
| | | | | 3 | R2 of 2018 R31 of 2019 | NW DPW R&T |
| | | | | | | |
| | | | | 3 | R4 of 2018 | AGRISETA |
| | | | | 1 | R5 of 2018 | TSC |
| | | | | 19 | R7 of 2018 | EMLM |
| | | | | 6 | R9 of 2018 | Mbhashe |
| | | | | 115 | R10 of 2018 | DCS |
| | | | | 29 | R11 of 2018 | Eskom |
| | | | | 1 | R11 of 2018 | Transnet |
| | | | | 26 | R12 of 2018 | LIMRAL |
| | | | | 4 | R20 of 2018 | National DPW |
| | | | | 1 | R27 of 2018 ext by R44 of 2019 | National DWAS |
| | | | | 2 | R35 of 2018 | Endumeni |
| | | | | 2 | R7 of 2019 | Moretele |
| | | | | 1 | R23 of 2019 | HPCSA |

Strategic Objective 5: To increase legal outcome based on civil and other proceedings

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020

| Performance measure | | 2018/19 | 2019/20 | Narrative | | |
|--|--------|---------------|----------------|----------------|--|---|
| | | | | No | Proc No | Proc Name |
| Value of potential losses prevented | Target | R24 million | R30 million | R400 million | R11 of 2018 | Eskom |
| | Actual | R53.4 million | R400 million | | | |
| Value of cash recoveries | Target | R120 million | R140 million | R1 230 000 | R8 of 2011 | DRDLR |
| | Actual | R137 million | R346 million | R25 904 577 | R10 of 2014 | DoC |
| | | | | R6 733 399 | R59 of 2014 | National DPW |
| | | | | R92 487 183 | R31 of 2016 | AHM |
| | | | | R157 656 306 | R32 of 2016 | IDT, the DBE and the DEFS |
| | | | | R3 639 922 | R9 of 2017 | KZN DoA |
| | | | | R2 156 904 | R23 of 2017 ext by R6 of 2019 | GDoH LE |
| | | | | R41 739 620 | R37 of 2017 | National DoT |
| | | | | R431 000 | R2 of 2018 R31 of 2019 | NW DPW R&T |
| | | | | R81 839 | R7 of 2018 | EMLM |
| | | | | R4 000 000 | R21 of 2018 ext by R33 of 2019 | DoJ & CD (Office of the State Attorney) |
| | | | | R2 116 271 | R35 of 2018 | Endumeni |
| | | | | R1 014 000 | R18 of 2019 | NHLS |
| | | | | R2 125 114 | R42 of 2019 | FSP DoH |
| | | | | R4 277 592 | SIU AOD Enforcement Department | |
| The value of contract(s) and/or administrative decision(s) / action(s) set aside or deemed invalid | Target | R730 million | R800 million | R630 million | R7 of 2007 ext by R35 of 2010 ext by R15 of 2012 | National Department of Housing |
| | Actual | R999 million | R4.3 billion | R3.7 billion | R11 of 2018 | Eskom |
| 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 | R1.4 billion | R1.5 billion | R15 907 355 | R59 of 2014 | National DPW |
| | Actual | R7.9 billion | R2.166 billion | R5 924 325 | R23 of 2017 ext by R6 of 2019 | GDoH LE |
| | | | | R3 037 647 | R24 of 2017 | DRDLR |
| | | | | R1 660 434 091 | R28 of 2017 | DCS and IDT |
| | | | | R234 973 293 | R29 of 2017 ext by R19 of 2018 | SABC |
| | | | | R60 736 664 | R36 of 2017 | ANDM |
| | | | | R22 343 764 | R6 of 2018 | RMLM |
| | | | | R136 985 685 | R21 of 2018 ext by R33 of 2019 | DoJ & CD (Office of the State Attorney) |
| | | | | R1 014 000 | R18 of 2019 | NHLS |
| | | | | R2 125 114 | R42 of 2019 | NWP DoH |
| | | | | R22 225 131 | R2 of 2018 R31 of 2019 | NW DPW R&T |

3. PROCLAMATIONS

3.1 Proclamations issued during the period under review

Proclamation no: R23 of 2019

Dated: 17 May 2019

Government Gazette No: 42465

Name of Institution: Health Professions Council of South Africa (HPCSA)

1. Maladministration in connection with the affairs of the HPCSA regarding the exercise of its functions in terms of the Health Professions Act, 1974
2. Any unlawful or improper conduct by the employees or officials of the HPCSA or any other person regarding the registration of health practitioners, in terms of the Health Professions Act, 1974.

Proclamation no: R26 of 2019

Dated: 5 July 2019

Government Gazette No: 42562

Name of Institution: Department of Justice and Constitutional Development and the Independent Development Trust (DoJ & CD and IDT)

1. Maladministration and/or irregular, improper or unlawful conduct in connection with the affairs of the Department or the IDT in relation to:
 - a) the construction of the Limpopo High Court, Mpumalanga High Court, the Plettenberg Bay Magistrate's Court, the Booyens Magistrate's Court, the Richards Bay Magistrate's Court, the Goodwood Magistrate's Court, the Simunye Magistrate's Court and the Tsing Periodical Court;
 - b) the acquisition of land for the Mpumalanga High Court;
 - c) the number of court rooms which were built during the construction of the Plettenberg Bay Magistrate's Court;
 - d) the procurement and provision of i) court room furniture; or ii) goods or services; or
 - e) contract and performance management, including any failure to act or to act timeously against any professional consultants, agents, 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 paragraph a), b), or c). in terms of the "Construction of New Courts Programme" of the Department and any related, unauthorised, irregular or fruitless and wasteful expenditure which the Department or the State incurred or may incur as a result thereof, including the causes of such i) maladministration and/or irregular, improper or unlawful conduct; and ii) unauthorised, irregular or fruitless and wasteful expenditure.
2. Any non-performance, poor performance, defective performance or late performance by the IDT, or professional consultants, agents, contractors, suppliers or service providers appointed by the IDT, in respect of goods, works or services delivered, performed or rendered in terms of paragraph 1a), b), c) or d) above and any losses or damages which the Department or the State suffered or may suffer as a result thereof.
3. The acquisition of land for the Mpumalanga High Court and any related unauthorised, irregular or fruitless and wasteful expenditure which the Department or the State incurred as a result thereof.
4. Any unlawful, improper or irregular conduct by a) the Department, the IDT, their officials, employees or agents or any other person relating to the allegations set out in paragraphs 1-3 above; or b) the contractors, suppliers or service providers, their directors, employees, contractors, sub-contractors or agents appointed by the IDT relating to the allegations set out in paragraph 2 above.

Proclamation no: R27 of 2019

Dated: 5 July 2019

Government Gazette No: 42562

Name of Institution: Department of Human Settlements, Gauteng Province and Lepelle Northern Water (DHS & LNW)

This proclamation extends Proclamation R22 of 2016. It extends the period of investigation to the date of this proclamation. It also adds the following two paragraphs:

3. The appointment of a service provider by Lepelle Northern Water to render engineering consulting services to LNW in respect of the raising of the Tzaneen Dam and payments which were made by LNW to the service provider and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by LNW.
4. Any unlawful or improper conduct by employees of LNW, the applicable service provider or any other person or entity in relation to the allegations set out in paragraph 3 above.

Proclamation no: R28 of 2019

Dated: 5 July 2019

Government Gazette No: 42562

Name of Institution: National Department of Water and Sanitation (DWAS)

1. The appointment by the Department of a service provider under Contract Number 1/2/4/25/2017/1/NWRI/MIHLOTI for a period of 18 months to render services for the emergency upgrading of the Thukela Goedertrouw Transfer Scheme and payments made in respect thereof and any:
 - aa) related unauthorised, irregular or fruitless and wasteful expenditure incurred by; or
 - bb) resulting loss or prejudice suffered by the Department or the State, as a result thereof.
2. Any unlawful or improper conduct by
 - a) employees or officials of the Department;
 - b) the service provider referred to in paragraph 1 above, its directors, employees or agents; or c) any other person or entity, relating to the allegations set out in paragraph 1 above.

Proclamation no: R30 of 2019

Dated: 5 July 2019

Government Gazette No: 42562

Name of Institution: North West Development Corporation (NWDC)

1. The procurement of or contracting for goods, works or services by or on behalf of the NWDC and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the NWDC or the State or any resulting loss or damages suffered by NWDC or the State in relation to the appointment of
 - aa) MVEST Trust in terms of SLA to implement the Youth Enterprise Combo; or
 - bb) Naphtronics (Pty) Ltd to render security services to the NWDC.
2. Maladministration in the affairs of the NWDC and any losses or prejudice suffered by the NWDC or the state as a result of such maladministration in relation to the:
 - a) purchase of Christiana Hotel and Game Farm; or
 - b) establishment of Tokiso Security Services SOC Ltd as a subsidiary of the NWDC and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the NWDC or the State, including the causes of such maladministration.
3. Any unlawful or improper conduct by officials or employees of the NWDC, the applicable contractors, suppliers or service providers or their subcontractors or any other person or entity in relation to the allegations set out in paragraphs 1 and 2 above.

Proclamation no: R31 of 2019

Dated: 5 July 2019

Government Gazette No: 42562

Name of Institution: North West Department of Public Works, Roads and Transport (NW DPW R&T)

This proclamation extends Proclamation R2 of 2018. It extends the period of investigation to the date of this proclamation. It substitutes paragraphs aa) to ff) with the following:

- aa) Scholar Transport tender number PWRT 029/10;
- bb) Grass cutting tender number PWRT 02/11;
- cc) Road D52 and Road D53 tender number NWRT 58/08A;
- dd) Road D542 tender number NWRT 59/08C;
- ee) Road D1169 tender number NWRT 61/08A;
- ff) Road D614 tender number NWRT 58/08B;
- gg) Road D313 tender number PWRT 119/12;
- hh) Road D3492 tender number PWRT 123/12;
- ii) Road D327 tender number PWRT 120/12;

- jj) Road D413 tender number PWRT 52/13;
- kk) Road P34/2 tender number PWRT 71/11B;
- ll) Tender number PWRT 139/12 (A-D);
- mm) Tender number NTI/RFT 06/2016; or
- nn) Tender number PWRT 045/09.

Proclamation no: R32 of 2019

Dated: 5 July 2019

Government Gazette No: 42562

Name of Institution: Denel SOC Ltd (Denel)

1. The procurement of, or contracting for
 - a) IT security assessment services;
 - b) services to develop a white paper relating to the validity of advance payment bank guarantees on all contracts entered into by Denel and the Armaments Corporation of South Africa SOC Ltd;
 - c) legal services; or
 - d) steel fabrication services and steel fabricated goods, by or on behalf of Denel, and payments made in respect thereof and any related losses or irregular or fruitless and wasteful expenditure incurred by Denel or the State as a result thereof.
2. The awarding of bursaries by Denel contrary to applicable policies, procedures, prescripts, practices of, or applicable to Denel that regulate the awarding of such bursaries and any related losses or irregular or fruitless and wasteful expenditure incurred by Denel or the State as a result thereof.
3. Any unlawful or irregular conduct by employees and officials of Denel or any other person or entity in relation to the allegations set out in paragraphs 1 or 2 above.

Proclamation no: R33 of 2019

Dated: 12 July 2019

Government Gazette No: 42577

Name of Institution: Department of Justice and Constitutional Development (DoJ & CD) (Office of the State Attorney)

This proclamation extends Proclamation R21 of 2018. It extends the period of investigation to the date of this proclamation. It also replaces the Schedule of the previous proclamation to the following:

1. For purposes of this schedule the expression "legal services" must be interpreted to include legal advisory services; litigation services; appointment of legal practitioners to render legal advisory or litigation services; any professional service required for legal or litigation purposes, including the appointment of any intermediary or subject matter expert; and support services for legal or litigation purposes, including the appointment of any interpreter, transcriber or tracer.
2. Maladministration in connection with the affairs of the OSA in relation to:
 - a) legal services that were provided, or procured, by the OSA in the performance of its functions as contemplated in section 3 of the OSA Act 1957 on behalf of i) the Gauteng Department of Health and the Eastern Cape Department of Health in respect of claims based on medical negligence; or ii) the SAPS in respect of claims based on wrongful arrest or detention, assault or malicious prosecution; or
 - b) the verification, approval or processing for payment of any invoice or account received in relation to legal services provided or procured in terms of paragraph a).
3. The procurement of legal services, as contemplated in paragraph 2 a) of the Schedule by the OSA or payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure which the Department or the State incurred as a result thereof.
4. Any unlawful or irregular conduct by:
 - a) employees or officials of the OSA; or
 - b) any other person or entity relating to the allegations set out in paragraphs 2 or 3 above.

Name of Institution: Free State Provincial Department of Health (FSP DoH)

1. The failure by the Department to:
 - a) establish and maintain effective and efficient systems of financial and risk management and internal controls or to adhere strictly to the provisions of any such systems in respect of i) the processing of overtime claims submitted by medical practitioners in the employment of the Department and payments that were made in respect thereof; ii) payments that were made to medical practitioners in the employment of the Department for services that were rendered.
 - b) verify overtime services that were actually rendered before making payments in respect thereof;
 - c) take effective and appropriate steps to recover financial losses resulting from criminal or irregular conduct;
 - d) take effective and appropriate disciplinary steps against any employee in its service, who committed an act that undermined the financial management and internal control systems of the Department;
 - e) act upon conclusions or findings of audit reports and investigations conducted by the Department that identified
 - i) irregular overtime claims by medical practitioners in the employment of the Department and payments that were made in respect thereof;
 - ii) that employees of the Department held business interests in service providers that conducted business with the Department or other organs of State; and iii) that employees of the Department conducted remunerative work outside the scope of their employment without the permission of the executive authority of the Department; and
 - f) verify the qualifications, experience and competencies of foreign medical practitioners before such practitioners are employed by the Department to practice as medical practitioners in the RSA.
2. The failure by medical practitioners employed by the Department to disclose to the Department that they were engaged in business activities for remuneration outside the scope of their employment under the Public Service Act, 1994 or any other contractual relationship with the Department or their failure to cease such unauthorised activity upon becoming employed by the Department.
3. Any undisclosed or unauthorised interest that medical practitioners in the employment of the Department may have had with regard to contractors, suppliers or service providers who put in bids for work or did business with the Department.
4. Claims that were submitted to medical aids and payments that were made in respect thereof for services that were rendered by medical practitioners who performed the services in question in terms of a contractual relationship with the Department.
5. Any unlawful or irregular conduct by employees of the Department or any other person or entity in relation to the allegations set out in paragraphs 1 to 4 above.

Name of Institution: Madibeng Local Municipality (MDLM)

1. The procurement of or contracting for 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 or the State in relation to the appointment of a service provider in terms of a maintenance lease agreement for a period of 36 months in respect of the Municipality's pool vehicles.
2. Any undisclosed or unauthorised interests which the personnel of the Municipality or the State may have had in contractors, suppliers or service providers bidding for work or doing business with the Municipality or to whom contracts were awarded by the Municipality and the extent of any actual or potential benefits derived directly or indirectly by the personnel of the Municipality or their family members from such undisclosed or unauthorised interests.
3. Any unlawful or improper conduct by the councillors, officials or employees of the Municipality or applicable contractors, suppliers or service providers, or any other person or entity in relation to the allegations set out in paragraphs 1 and 2 above.

Name of Institution: National Department of Agriculture, Forestry and Fisheries (DAFF)

1. Maladministration in the affairs of the DAFF in relation to:
 - a) the mismanagement of the Comprehensive Agricultural Support Programme (CASP);
 - b) the allocation and use of CASP funds; and
 - c) the monitoring of projects that were funded in terms of the CASP, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the DAFF or the Sate, including the causes of such maladministration.

2. The use of CASP funds to procure or contract for goods or services by or on behalf of the DAFF and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the DAFF or the State.
3. Any unlawful or improper conduct by the employees or officials of the DAFF or applicable service providers, or any other person or entity in relation to the allegations set out in paragraphs 1 and 2 above.

Proclamation no: R37 of 2019

Dated: 12 July 2019

Government Gazette No: 42577

Name of Institution: South African Social Security Agency (SASSA)

1. Maladministration in the affairs of the SASSA and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SASSA in relation to the:
 - a) fleet management of the SASSA within the EC Region;
 - b) fuel fleet card management of the SASSA within the EC region and KZN region;
 - c) asset management of the SASSA within the EC region; and
 - d) contract management of the SASSA in respect of persons appointed by the SASSA as Family Finders within the Limpopo region.
2. The procurement of or contracting for goods, works or services by or on behalf of the SASSA and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SASSA or the State or any resulting loss or damages suffered by the SASSA or the State in relation to:
 - aa) the refurbishment of offices of the SASSA within the EC region in terms of the Local Office Improvement Project;
 - bb) medical goods or services procured within the GAU region during the period 1 April 2016 to 30 Sept 2016;
 - cc) services procured from Keyser Cleaning Services within the EC region; and
 - dd) the procurement of blankets by the KZN regional office during the period 1 April 2016 to 30 Sept 2016.
3. The payment or receipt of social assistance or benefits through Foster Child Care grants in respect of persons who do not, or did not qualify for such assistance or benefits or any portion thereof and any conduct directed at promoting or facilitating payment or receipt of such assistance or benefits.
4. Any unlawful or improper conduct by officials or employees of the SASSA, the applicable contractors, suppliers or service providers of the SASSA or any other person or entity in relation to the allegations set out in paragraphs 1 to 3 above.

Proclamation no: R38 of 2019

Dated: 12 July 2019

Government Gazette No: 42577

Name of Institution: South African Heritage Resources Agency (SAHRA)

1. The procurement of, or contracting for services by or on behalf of the SAHRA and payments made in respect thereof in relation to the improvements that were carried out in respect of the:
 - aa) Delville Wood National Memorial Museum;
 - bb) OR Tambo House (London);
 - cc) OR Tambo Bust (Cuba)
 - dd) grave of Rev Zachariah Mahabane;
 - ee) grave of Dr James Moroka;
 - ff) grave of Steve Biko;
 - gg) grave of Robert Sobukwe;
 - hh) Josias Madzunya gravesite memorial;
 - ii) Manche Masemola gravesite memorial; or
 - jj) Kgosi Mampuru II statue, heritage sites and any related unauthorised, irregular or fruitless and wasteful expenditure which the SAHRA or the State incurred as a result thereof.
2. Maladministration in connection with the affairs of the SAHRA in relation to the improvements that were carried out in respect of the heritage sites referred to in paragraph 1 above including:
 - a) the causes of such maladministration; and
 - b) any losses or prejudice which the SAHRA or the State has suffered as a result thereof.
3. Any irregular, improper or unlawful conduct by:
 - a) the SAHRA, its officials, employees or agents;
 - b) the contractors, suppliers or service providers concerned or their agents; or
 - c) any other person or entity, in relation to the allegations set out in paragraphs 1 and 2 above.

Proclamation no: R39 of 2019
Dated: 12 July 2019
Government Gazette No: 42577

Name of Institution: Free State Department of Human Settlements (FSP DHS)

1. The procurement of, or contracting for, services pertaining to the identification and removal of asbestos from houses within the FSP 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 or the State as a result thereof.
2. Any unlawful or improper conduct by the employees or officials of the Department, the applicable service providers or any other person or entity in relation to the allegations set out in paragraph 1 above.

Proclamation no: R40 of 2019
Dated: 12 July 2019
Government Gazette No: 42577

Name of Institution: Eastern Cape Department of Public Works (ECDPW) and the Eastern Cape Department of Education (ECDoE)

1. The procurement of or contracting for the supply and erection of prefabricated mobile classrooms, laboratories and water tanks at schools by the ECDPW on behalf of the ECDoE and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the ECDoE, the ECDPW or the State as a result thereof.
2. Any non-performance, poor performance, defective performance or late performance by the ECDPW or the applicable service providers in respect of the goods, works or services delivered, performed or rendered in terms of paragraph 1 above and any losses or damages which the ECDoE, the ECDPW or the State suffered as a result thereof.
3. Any unlawful or improper conduct by the employees or officials of the ECDPW, the ECDoE, the applicable service providers, or any other person or entity in relation to the allegations set out in paragraphs 1 and 2 above.

Proclamation no: R41 of 2019
Dated: 12 July 2019
Government Gazette No: 42577

Name of Institution: Department of Defence and Military Veterans (DoD & MV)

1. The procurement of or contracting for Microsoft software licences by or on behalf of the Department and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department or the State.
2. Any unlawful or improper conduct by the employees or officials of the Department or applicable service providers, or any other person or entity in relation to the allegations set out in paragraph 1 above.

Proclamation no: R42 of 2019
Dated: 12 July 2019
Government Gazette No: 42577

Name of Institution: Free State Province Department of Health (FSP DoH) and the North West Province Department of Health (NWP DoH)

1. The procurement of or contracting for:
 - a) aero-medical services and patient transport services by or on behalf of the FSP DoH in terms of bid numbers DoH(FS)67/2014/2015 and DoH(FS)20/2013/2014; and
 - b) patient transport services by or on behalf of the NWP DoH in terms of bid number NWDoH13/2015, and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the FSP DoH, the NWP DoH or the State.
2. Maladministration in connection with the affairs of:
 - a) the FSP DoH in relation to the administration of the contracts for aero-medical services and patient transport services referred to in paragraph 1a) above; or
 - b) the NWP DoH in relation to the administration of the contract for patient transport services referred to in paragraph 1b) above including i) the causes of such maladministration; and ii) any related losses or irregular or fruitless and wasteful expenditure incurred by the FSP DoH, the NWP DoH or the State as a result thereof.
3. Any unlawful or improper conduct by the employees or officials of the FSP DOH and the NWP DoH, respectively, or applicable service providers, or any other person or entity in relation to the allegations set out in paragraphs 1 or 2 above.

Proclamation no: R43 of 2019
Dated: 12 July 2019
Government Gazette No: 42577

Name of Institution: Thabazimbi Local Municipality (TLM)

This proclamation extends Proclamation R18 of 2017. It extends the period of investigation to the date of this proclamation. It also inserts the following paragraph in paragraph 1:
iia) the procurement of information communication technology related services in terms of contract number TLM-IT-03_2014/A2014;

Proclamation no: R44 of 2019
Dated: 12 July 2019
Government Gazette No: 42577

Name of Institution: National Department of Water and Sanitation (DWAS)

This proclamation extends Proclamation R27 of 2018. It substitutes the expression "SAP SE (SAP)" in paragraph 1 for the expression "Systems Applications Products (South Africa) (Pty) Limited (SAP)".

Proclamation no: R45 of 2019
Dated: 12 July 2019
Government Gazette No: 42577

Name of Institution: KwaZulu-Natal Provincial Treasury (KZN Treasury)

This proclamation extends Proclamation R30 of 2017. It substitutes the expression "Infrastructure and Economic Development Unit" for the expression "Infrastructure Management and Economic Services Unit".

Proclamation no: R51 of 2019
Dated: 30 August 2019
Government Gazette No: 42670

Name of Institution: Passenger Rail Agency of South Africa (PRASA)

1. The procurement of or contracting for:
 - a) security services;
 - b) general overhaul and upgrade services;
 - c) works or services in respect of systems overhauling, repair of rails and infrastructure, or maintenance through the implementation of the Supplier Development Programme;
 - d) an advanced early detection cable theft solution in the Bonteheuwel-Phillipi Corridor in the WC;
 - e) travel management services;
 - f) supply of mobile transporters; and
 - g) forensic services, by or on behalf of PRASA and payments which were made in respect thereof and any related or unauthorised, irregular or fruitless and wasteful expenditure incurred by PRASA or the State.
2. Any unlawful or improper conduct by the employees or officials of PRASA or the applicable service providers, or any other person or entity in relation to the allegations set out in paragraph 1 above.

Proclamation no: R54 of 2019
Dated: 18 October 2019
Government Gazette No: 42773

Name of Institution: South African Health Products Regulatory Authority (SAHPRA)

1. Maladministration in connection with the affairs of the SAHPRA in relation to:
 - a) the authorisation of the sale of unregistered medicines or medical devices, including in vitro diagnostic medical devices; and
 - b) licensing, in terms of the Medicines and Related Substance Act, 1965, including the causes of such maladministration.
2. Any unlawful or improper conduct by
 - a) employees of the SAHPRA; or
 - b) any other person or entity, in relation to the allegations set out in paragraph 1.

Proclamation no: R57 of 2019
Dated: 8 November 2019
Government Gazette No: 42828

Name of Institution: Denel

This proclamation extends Proclamation R32 of 2019. It extends the period of investigation to the date of this proclamation. It adds paragraph 2a) to the schedule and replaces paragraph 3 of the previous proclamation with the one below: 2A. Unlawful, irregular or unapproved measures or practices in relation to the misappropriation of proprietary and intellectual property rights in Denel's Air-to-Air missiles, Stand-off Weapons, Surface Target Missiles, Air Defence and Unmanned Aerial Vehicle systems.

3. Any unlawful or irregular conduct by employees and officials of Denel or any other person or entity in relation to the allegations set out in paragraphs 1, 2 of the previous proclamation and paragraph 2A above.

Proclamation no: R58 of 2019
Dated: 8 November 2019
Government Gazette No: 42828

Name of Institution: uMgungundlovu District Municipality (UMGDM)

3. The procurement of, or contracting for:
 - a) event management services for the Presidential Visit Event at Inzinga on 23/12/2017;
 - b) event management services in terms of Contract Number 18/2017 for an Integrated Development Plan Imbizo;
 - c) event management services in terms of Contract Number ZNT 1928/2014LG for the Mandela Day marathon;
 - d) goods and services for the SALGA Games; and
 - e) project management services, by or on behalf of the Municipality and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by or losses suffered by the Municipality or the State.
4. Any unlawful or improper conduct by:
 - a) officials or employees of the Municipality;
 - b) contractors, suppliers or service providers of the Municipality; or
 - c) any other person or entity, in relation to the allegations set out in paragraph

Proclamation no: R2 of 2020
Dated: 31 January 2020
Government Gazette No: 42979

Name of Institution: South African Airways (SAA)

1. The procurement of, or contracting for:
 - a) Airbus aircraft;
 - b) maintenance, repair and operations services;
 - c) legal services in terms of Bid number: RFQ-GSM073/19 and Bid number: RFQ-GSM117/14 (Panel); and
 - d) service providers to support and expedite the implementation of the SAA Turnaround Plan in terms of Bid number: RFQ-GSM015/18 and Bid number: RFQ-GSM094/18, by or on behalf of the SAA and payments made in respect thereof and any related losses or irregular or fruitless and wasteful expenditure incurred by the SAA as a result thereof.
2. Maladministration in the affairs of the SAA in relation to:
 - a) travel rebate benefits for qualifying beneficiaries;
 - b) payments that the SAA made to vendors; and
 - c) the implementation of the SAA's procurement policy provides for the procurement of 30% of goods and services for small, medium and micro enterprises, in respect of the supply and delivery of jet fuel.
3. Any irregular, improper or unlawful conduct by a) officials or employees of the SAA; or b) any other person or entity, in relation to the allegations set out in paragraphs 1 and 2 of the above.

Proclamation no: R3 of 2020
Dated: 31 January 2020
Government Gazette No: 42979

Name of Institution: Eskom

This proclamation extends Proclamation R11 of 2018. It extends the period of investigation to the date of this proclamation. It also substitutes paragraph 1 with the following paragraph:

1. The contracting for or procurement of:
 - a) coal;
 - b) coal transportation services;
 - c) diesel;
 - d) cloud computing services;
 - e) software licenses and support services; and
 - f) engineering and project management consulting services in respect of Contract Number: 4600061859 and Contract Number: 4600062636 by Eskom and payments made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by Eskom or the State.

Proclamation no: R4 of 2020
Dated: 31 January 2020
Government Gazette No: 42979

Name of Institution: National Treasury (NT)

1. The procurement of, or contracting for the Integrated Financial Management System, by or on behalf of the National Treasury, and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the National Treasury as a result thereof.
2. Any unlawful or improper conduct by employees or officials of the National Treasury or the service provider in question, its employees or any other person or entity relating to the allegations set out in paragraph 1 above.

Proclamation no: R7 of 2020
Dated: 3 February 2020
Government Gazette No: 42992

Name of Institution: Department of Justice and Constitutional Development in the Masters Office and the Office of the Chief Master (Masters Office)

1. Maladministration in connection with the affairs of the Masters' offices, in relation to the following functions of the Masters' offices as set out in the Administration of Estates Act, No 66 of 1965, the Insolvency Act, No 24 of 1936 and the Companies Act, No 71 of 2008:
 - a) The administration of estates of deceased persons;
 - b) The winding up of estates of insolvent persons;
 - c) The protection and administration of the funds of minors, contractually incapacitated and undetermined and absent heirs, which have been paid into the Guardian's Fund;
 - d) The supervision of the administration of companies and close corporations in liquidation;
 - e) The safeguarding of all documentary material in respect of estates, insolvencies and liquidations;
 - f) The processing of enquiries by executors, attorneys, beneficiaries and other interested parties; and g) The appointment of executors, trustees, curators and liquidators.
2. Any losses or prejudice suffered by the Masters' offices or the State as a result of such maladministration.
3. The incurring of unauthorised, irregular or fruitless and wasteful expenditure in respect of travel, subsistence and accommodation costs for officials who perform work at Masters' offices other than the office at which they are or were appointed in terms of their employment contract.
4. The appointment of officials or employees at the Masters' offices
5. Interference by certain senior officials of the Masters' offices in pending disciplinary proceedings against officials or employees of the Masters' offices or the failure of certain senior officials in the Masters' offices to institute well founded disciplinary or other appropriate proceedings against such officials or employees.
6. The procurement of, or contracting for cleaning services by or on behalf of the Masters' offices and payments made in respect thereof and any related losses or irregular or fruitless and wasteful expenditure incurred by the Masters' offices as a result thereof.
7. The remuneration of fictitious officials or employees at the Masters' offices.
8. Any irregular, improper or unlawful conduct by a) employees or officials of the Masters' offices; or b) any other person or entity, in relation to the allegations set out in paragraphs 1 to 7 above.

Name of Institution: City of Johannesburg (CoJ)

This proclamation extends Proclamation R17 of 2019. It extends the period of investigation to the date of this proclamation. It also substitutes paragraph 1 of the previous proclamation with the following:

1. The procurement of, or contracting for
 - a) vehicles and vehicle maintenance services;
 - b) repairs and maintenance work at fire stations;
 - c) closed circuit television equipment and related services;
 - d) office accommodation and furniture for the Integrated Operations Centre; and
 - e) motorcyclist uniforms for the Johannesburg Metropolitan Police Department, by or on behalf of the Municipality and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by, or losses suffered by, the Municipality or the State.

3.2 Completed Proclamations (Presidential Reports)

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------|--|--|----------------|-----------------------|
| 1 | R38 of 2010 | National 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 | Final | 16 Apr 2019 |
| 2 | R21 of 2018 | DoJ & CD Office of the State Attorney | <ul style="list-style-type: none"> ▪ For purposes of this schedule the expression "legal services" must be interpreted to include legal advisory services; litigation services; appointment of legal practitioners to render legal advisory or litigation services; any professional service required for legal or litigation purposes, including the appointment of any intermediary or subject matter expert; and support services for legal or litigation purposes, including the appointment of any interpreter, transcriber or tracer. ▪ Maladministration in connection with the affairs of the OSA in relation to a) legal services that were provided, or procured, by the OSA in the performance of its functions as contemplated in section 3 of the OSA Act 1957 on behalf of i) the Gauteng Dept of Health and the Eastern Cape Dept of Health in respect of claims based on medical negligence; or ii) the SAPS in respect of claims based on wrongful arrest or detention, assault or malicious prosecution; or b) the verification, approval or processing for payment of any invoice or account received in relation to legal services provided or procured in terms of paragraph a). ▪ The procurement of legal services, as contemplated in paragraph 2a) of the Schedule by the OSA or payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure which the Department or the State incurred as a result thereof. ▪ Any unlawful or irregular conduct by a) employees or officials of the OSA; or b) any other person or entity relating to the allegations set out in paragraph 2 or 3 above. | Interim | 16 Apr 2019 |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------|--------------------------------|---|----------------|-----------------------|
| 3 | R19 of 2018 | SABC | <ul style="list-style-type: none"> ▪ The procurement of, or contracting for goods, works or services by or on behalf of the SABC from Lornavision (Pty) Ltd, Vision View Productions CC, Sekela Xabiso CA Incorporated, Lezaf Consulting CC, Gekkonomix (Pty) Ltd (trading as Infonomix), Asante Sana (Pty) Ltd, Foxton Communicating (Pty) Ltd and Mott Macdonald (Pty) Ltd and Mafoko Security Patrols (Pty) Ltd and payments made in respect thereof. ▪ Maladministration in the affairs of the SABC and any losses or prejudice suffered by the SABC or the State as a result of such maladministration in relation to (a) the mismanagement of the finances, rights, assets or liabilities of the SABC; (b) the selling of assets or rights which were owned by the SABC which was not to the advantage of the SABC; (c) business transactions that were concluded by or on behalf of the SABC and which were not viable or to the advantage of the SABC; (d) the irregular appointment and promotion of staff; or (e) the payment of salaries, increases, bonuses and other forms of remuneration that were not due, owing or payable including the causes of such maladministration and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SABC or the State. ▪ Any undisclosed or unauthorised interest that certain members of the personnel of the SABC may have had with regard to (a) contractors, suppliers or service providers who bid for work or did business with the SABC; or (b) contracts awarded by or on behalf of the SABC. | Final | 14 June 2019 |
| 4 | R27 of 2015 | National 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 | Final | 15 July 2019 |
| 5 | R14 of 2018 | KZN DoT (Alienation of Land) | <ul style="list-style-type: none"> ▪ The consolidation and disposal of (a) portion 56 of 36 of Erf 348 Verulam and Portion 1 of Erf 347 Verulam (Consolidated into erf 10626 Verulam); (b) Portion 1 of Erf 6673, 6672, 6671, 6670, 6669, Portion 0 of Erf 6671 Pinetown, Portion 1 of 6668 Pinetown and Portion 1 of 6255 (Extension 59) Pinetown (consolidated into Erf 30660 Pinetown); (c) Portion 79 of Farm No 937 of the Farm Zeekoegat; and(d) Portion 246 of Farm No 1570 Lot 44, eThekwini, by the Department, which properties belonged to or were under the control of the State or the Department, and any related unauthorised, irregular and fruitless and wasteful expenditure incurred by the Department. ▪ The failure by the Department to collect rent in terms of a lease agreement which was concluded between the Department and a third party in respect of the leasing of Erf 10626 Verulam. ▪ Corruption, irregularities, malpractices or maladministration in the affairs of the Department relating to the matters referred to in the Schedule, including the causes of such corruption, irregularities, malpractices or maladministration and any losses, damages or actual or potential prejudice which the Department or the State may have suffered. | Final | 10 Sept 2019 |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------|------------------------------------|---|----------------|-----------------------|
| 6 | R52 of 2014 | Greater Tubatse Local Municipality | <ul style="list-style-type: none"> ▪ The procurement of and contracting for goods, works or services by or on behalf of the Municipality and payments made in respect thereof and related irregular, fruitless or wasteful expenditure by the Municipality. ▪ Fruitless and wasteful expenditure incurred by the Municipality through a settlement paid to Phambili Network Skills. ▪ The award of contracts by the Municipality to suppliers and service providers in which individuals in the service of the State held interests. ▪ The failure by the Municipality to collect money due and owing by its debtors in respect of (a) a cost order made in favour of the Municipality by the North Gauteng High Court; and (b) municipal services rendered. | Final | 10 Sept 2019 |
| 7 | R10 of 2017 | HGDM | <ul style="list-style-type: none"> ▪ The procurement of, and contracting for goods, works or services by or on 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 advance payments made by the Municipality to Cyclone Construction. ▪ Any unlawful or irregular conduct by the Municipality, councillors, officials or employees of the Municipality relating to any allegations set out above. | Final | 15 Oct 2019 |
| 8 | R2 of 2018 | NW DPW R&T | <ul style="list-style-type: none"> ▪ The procurement of or contracting for goods, works or services by or on behalf of the Department and payments made in respect thereof and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department or the State in relation to the following tenders: aa) Scholar Transport tender number PWRT 029/10; bb) Grass cutting tender number PWRT 02/11; cc) Road D52 and Road D53 tender number NWRT 58/08A; dd) Road D542 tender number NWRT 59/08C; ee) Road D1169 tender number NWRT 61/08A; ff) Road D614 tender number NWRT 58/08B; gg) Road D313 tender number PWRT 119/12; hh) Road D3492 tender number PWRT 123/12; ii) Road D327 tender number PWRT 120/12; jj) Road D413 tender number PWRT 52/13; kk) Road P34/2 tender number PWRT 71/11B; ll) Tender number PWRT 139/12 (A-D); mm) Tender number NTI/RFT 06/2016; or nn) Tender number PWRT 045/09. ▪ Non-performance or mal-performance by the contractors, suppliers and service providers that were appointed in terms of the tenders set out in paragraph 1, above, to render goods, works or services to the Department. ▪ Maladministration in the affairs of the Department in relation to payments that were made by the Department to beneficiaries of the Expanded Public Works Programme. ▪ Any unlawful or improper conduct by officials or employees of the Department, the applicable contractors, suppliers or service providers or any of the above person or entity, in relation to the allegations set out in paragraphs 1 to 3 above. ▪ The failure of officials or employees of the Department to declare their interests in companies or close corporations. | Interim | 15 Oct 2019 |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------|--------------------------------|---|----------------|-----------------------|
| 9 | R53 of 2012 | DRDLR | <ul style="list-style-type: none"> ▪ The payment of advances, subsidies or compensation to claimants in respect of the restitution of a right in land in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994) to persons who were not entitled to receive such advances, subsidies or compensation; or in a manner which was contrary to applicable legislation, manuals, policies, procedures, instructions, prescripts and/or practices of, or which were applicable to the Department; or fraudulent. ▪ Maladministration of the affairs of the Department by officials or employees or their agents in respect of the payment of advances, subsidies or compensation to claimants in respect of the restitution of a right in land in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), including the causes of such maladministration. | Final | 27 Nov 2019 |
| 10 | R18 of 2016 | DCS (EMS) | <ul style="list-style-type: none"> ▪ 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 referred to in para 1 of the Schedule. ▪ Any improper or unlawful conduct, in relation to the allegations set out in paragraph 1 above, by the employees or officials of the Department, the applicable service provider or any other person or entity. | Final | 27 Nov 2019 |
| 11 | R17 of 2017 | DSD ECP | <ul style="list-style-type: none"> ▪ The procurement of, and contracting for goods, works or services by or behalf of the Department and payments which were made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department or the State in relation to the awarding of contracts, the renewal of contracts or the extension of contracts for the (aa) provision or management of residential care facilities in the Nelson Mandela Metro for 240 frail, aged or mentally or physically disabled persons; and (bb) the provision of internal audit services. ▪ Maladministration in the affairs of the Department and any losses or prejudice suffered by the Department or the State as a result of such maladministration in relation to (aa) and (bb) above. ▪ Any unlawful or improper conduct by officials or employees of the Department or the applicable contractors, suppliers or service providers or any other person or entity in relation to the allegations set out. | Final | 27 Nov 2019 |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|--------------------------------|--------------------------------|--|----------------|-----------------------|
| 12 | R42 of 2010 ext by R73 of 2011 | SAPS | <ul style="list-style-type: none"> ▪ The incurrence of unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure and/ or payment of expenditure not due, owing or payable; allegations that SAPS staff have undisclosed or unauthorised conflicts of interest with service providers of SAPS. ▪ Non-compliance with the provisions of the Government Immovable Asset Management Act, 2007. ▪ The unlawful or irregular conduct by staff of the SAPS, suppliers or service providers to the SAPS and third parties relating to any of the aforementioned allegations | Final | 13 Dec 2019 |
| 13 | R7 of 2014 | DRDLR and the SITA (Gijima) | <ul style="list-style-type: none"> ▪ Any reference to <ul style="list-style-type: none"> o (a) “contracting” includes but is not limited to, any negotiation processes involving a contract, the conclusion and signing of a contract and any novation, renewal, extension or amendment of the contract; o (b) “the ICT systems/projects” means (i) the e-Cadastre project and the e-Cadastre system for the DRDLR; (ii) the Deeds Registries System for the DRDLR; (iii) the Enterprise Architecture product for the DRDLR; (iv) the Regularity Impact Assessment for the DRDLR; (v) a BPR project for the DRDLR; and (vi) the back scanning of records of the DRDLR into microfilm images for the DRDLR database individually or collectively, as the context may require or as may be applicable; o (c) “the institutions” means the DRDLR and the SITA, individually or collectively, as the context may require or as may be applicable; and o (d) “the institutions’ suppliers and service providers” includes any consultants, contractors, subcontractors, suppliers or service providers of the institutions. ▪ 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, Vryburg 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. ▪ 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 payments made in relation thereto. ▪ Losses or prejudice actually or potentially suffered by the Institutions as a result of the mismanagement of the assets, finances or other resources in respect of the ICT systems/projects, including any (a) overspending, mismanagement, misspending or misappropriation of funds; (b) payments which were made to agents of the Institutions or the Institutions’ suppliers and service providers (i) prematurely; (ii) despite non-performance, uncertified, incomplete or poor quality performance or defective performance; (iii) despite late performance; or (iv) in excess of amounts agreed or tendered or at rates disproportionate to the value, nature or scope of goods, works or services supplied or rendered; (c) payments made for goods not supplied or works or services not rendered; or (d) duplication of payments. | Final | 26 March 2020 |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------|--------------------------------|--|----------------|-----------------------|
| | | | <ul style="list-style-type: none"> ▪ Losses or prejudice actually or potentially suffered by the Institutions as a result of unlawful conduct or irregular practices of the personnel or agents of the Institutions, the Institutions' suppliers and service providers or third parties in respect of the ICT systems/projects, including any premature, false or inflated claims for payment. ▪ 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. ▪ Fraud, corruption or maladministration regarding the affairs of the Institutions in respect of the ICT systems/projects in respect of (a) budget preparations, the allocation, implementation or use of the applicable budgets or budget items, including but not limited to any overspending or misappropriation of the applicable budgets or budgeted items; (b) supply chain management policies; (c) procurement processes; (d) contract management, including but not limited to (i) contracting for the ICT systems/projects or any goods, works or services in respect of the ICT systems/projects; (ii) the monitoring, management or verification of goods delivery, services rendered or works performed or any failure in this regard; (iii) the monitoring, management or verification of the quality and /or quantity of goods delivered, services rendered or works performed or any failure in this regard; (iv) any breach of contract, late performance, enforcement of contracts or cancellation of contracts; or (e) logistics management, including the causes of such fraud, corruption or maladministration and any loss, damage or prejudice actually or potentially suffered by the Institutions or the State. ▪ The failure of the Institutions to (a) recover premature or excessive payments made to agents of the Institutions or the Institutions' suppliers and service providers; or (b) collect monies due, owing and payable to the Institutions, for or in respect of the ICT systems/projects. Unlawful or irregular conduct by agents of the Institutions, the Institutions' personnel, suppliers and service providers or third parties relating to any one or more of the allegations set out above, and any loss, damage or prejudice actually or potentially suffered by the State or Institutions as a result thereof. | | |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------------------|-----------------------------------|--|----------------|-----------------------|
| 14 | R7 of 2014 and R599 of 2015 | DRDLR and the SITA (Deeds Office) | <ul style="list-style-type: none"> ▪ Any reference to <ul style="list-style-type: none"> o (a) “contracting” includes but is not limited to, any negotiation processes involving a contract, the conclusion and signing of a contract and any novation, renewal, extension or amendment of the contract; o (b) “the ICT systems/projects” means (i) the e-Cadastre project and the e-Cadastre system for the DRDLR; (ii) the Deeds Registries System for the DRDLR; (iii) the Enterprise Architecture product for the DRDLR; (iv) the Regularity Impact Assessment for the DRDLR; (v) a BPR project for the DRDLR; and (vi) the back scanning of records of the DRDLR into microfilm images for the DRDLR database individually or collectively, as the context may require or as may be applicable; o (c) “the institutions” means the DRDLR and the SITA, individually or collectively, as the context may require or as may be applicable; and o (d) “the institutions’ suppliers and service providers” includes any consultants, contractors, subcontractors, suppliers or service providers of the institutions. ▪ 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, Vryburg 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. ▪ 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 payments made in relation thereto. ▪ Losses or prejudice actually or potentially suffered by the Institutions as a result of unlawful conduct or irregular practices of the personnel or agents of the Institutions, the Institutions’ suppliers and service providers or third parties in respect of the ICT systems/projects, including any premature, false or inflated claims for payment. ▪ 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. | | |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------------------|--------------------------------|--|----------------|-----------------------|
| | R7 of 2014 and R599 of 2015 | | <ul style="list-style-type: none"> ▪ Fraud, corruption or maladministration regarding the affairs of the Institutions in respect of the ICT systems/projects in respect of (a) budget preparations, the allocation, implementation or use of the applicable budgets or budget items, including but not limited to any overspending or misappropriation of the applicable budgets or budgeted items; (b) supply chain management policies; (c) procurement processes; (d) contract management, including but not limited to (i) contracting for the ICT systems/projects or any goods, works or services in respect of the ICT systems/projects; (ii) the monitoring, management or verification of goods delivery, services rendered or works performed or any failure in this regard; (iii) the monitoring, management or verification of the quality and /or quantity of goods delivered, services rendered or works performed or any failure in this regard; (iv) any breach of contract, late performance, enforcement of contracts or cancellation of contracts; or (e) logistics management, including the causes of such fraud, corruption or maladministration and any loss, damage or prejudice actually or potentially suffered by the Institutions or the State. ▪ The failure of the Institutions to (a) recover premature or excessive payments made to agents of the Institutions or the Institutions' suppliers and service providers; or (b) collect monies due, owing and payable to the Institutions, for or in respect of the ICT systems/projects. Unlawful or irregular conduct by agents of the Institutions, the Institutions' personnel, suppliers and service providers or third parties relating to any one or more of the allegations set out above, and any loss, damage or prejudice actually or potentially suffered by the State or Institutions as a result thereof. | | |
| 15 | R23 of 2016 | KZN DoT | <ul style="list-style-type: none"> ▪ 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 in a manner which (i) was contrary to applicable legislation, manuals, policies, procedures, prescripts, instructions or practices of or applicable to the Department; (ii) 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 (iii) was otherwise irregular or unlawful. | Final | 26 Mar 2020 |
| 16 | R35 of 2017 | PSETA | <ul style="list-style-type: none"> ▪ Maladministration in the affairs of the PSETA in relation to the allocation, for the 2015/2016 financial year, of discretionary grants in terms of the Discretionary Grants Policy and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the PSETA. ▪ Any unlawful or irregular conduct by (a) employees of the PSETA; or (b) any other person or entity, relating to the allegations referred to in paragraph 1 above. | Final | 26 Mar 2020 |
| 17 | R36 of 2017 | ANDM | <ul style="list-style-type: none"> ▪ The procurement of, or contracting for, six trucks, six sprinkler water tankers and three jet vacuum tanks, by or on behalf of the DM and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the DM or the State. ▪ Any improper or unlawful conduct by the councillors, officials or employees of the DM or the applicable contractors, suppliers or service providers or any other person or entity, in relation to the allegations set out in para 1 of this Schedule. | Final | 26 Mar 2020 |

| No | Proclamation No | Department / State Institution | Scope | Type of Report | Date Report Submitted |
|----|-----------------|--------------------------------|---|----------------|-----------------------|
| 18 | R6 of 2018 | RMLM | <ul style="list-style-type: none"> ▪ The procurement of, or contracting for motor vehicles by or on behalf of the Local Municipality in terms of a hire purchase agreement dated 7 February 2014 and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Local Municipality. ▪ Any improper or unlawful conduct by (a) the councillors, officials or employees of the Local Municipality; or (b) the service provider of the directors, employees or agents of the service provider, in relation to the allegations set out in paragraph 1 above. | Final | 26 Mar 2020 |
| 19 | R26 of 2018 | EKMM | <ul style="list-style-type: none"> ▪ The procurement of, or contracting for, goods or services by or on behalf of the Municipality in terms of tender No WS-6656 and Tender no WS-6749 and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality or the State. ▪ Any non-performance, incomplete performance or defective performance by the service providers appointed in terms of the tenders in paragraph 1. ▪ Any unlawful or irregular conduct by employees or officials of the Municipality, the service providers or any other person, in relation to the allegations set out in paragraphs 1 and 2 above. | Final | 26 Mar 2020 |

3.3 Ongoing Proclamations

3.3.1 National Proclamations

| Ongoing Proclamations | | | |
|-----------------------|---|---------------------------------------|---|
| No | Proclamation No | Department / State Institution | Gazetted Date and No |
| 1 | R7 of 2020 | Masters Office | GG 42992 date 3 February 2020 |
| 2 | R4 of 2020 | National Treasury | GG 42979 date 31 January 2020 |
| 3 | R54 of 2019 | SAHPRA | GG 42773 dated 18 October 2019 |
| 4 | R41 of 2019 | DoD & MV | GG 42577 dated 12 July 2019 |
| 5 | R38 of 2019 | SAHRA | GG 42577 dated 12 July 2019 |
| 6 | R37 of 2019 | SASSA | GG 42577 dated 12 July 2019 |
| 7 | R36 of 2019 | DAFF | GG 42577 dated 12 July 2019 |
| 8 | R29 of 2019 | CMS | GG 42562 dated 5 July 2019 |
| 9 | R28 of 2019 | National DWAS | GG 42562 dated 5 July 2019 |
| 10 | R26 of 2019 | DCS and IDT | GG 42562 dated 5 July 2019 |
| 11 | R23 of 2019 | HPCSA | GG 42465 dated 17 May 2019 |
| 12 | R18 of 2019 | NHLS | GG 42338 dated 29 March 2019 |
| 13 | R27 of 2018 R44 of 2019 | National DWAS | GG 41915 dated 21 September 2018 GG 42577 dated 12 July 2019 |
| 14 | R21 of 2018 R33 of 2019 | DoJ & CD Office of the State Attorney | GG 41771 dated 13 July 2018 GG 42577 dated 12 July 2019 |
| 15 | R20 of 2018 | National DPW | GG: 41771 dated 13 July 2015 |
| 16 | R37 of 2017 | National DoT | GG 41271 dated 24 November 2017 |
| 17 | R28 of 2017 | DCS and IDT | GG 41055 dated 18 August 2017 |
| 18 | R24 of 2017 | DRDLR | GG 41000 dated 24 July 2017 |
| 19 | R19 of 2016 | CIDB | GG 39935 dated 15 April 2016 |
| 20 | R7 of 2014 amended by R599 of 2015 amended by R32 of 2017 | DRDLR and the SITA (Deeds Office) | GG: 37346 dated 14 February 2014 GG: 38985 dated 10 July 2015 GG: 41165 date 6 October 2017 |

3.3.2 Provincial

| Ongoing Proclamations | | | |
|-----------------------|----------------------------|-----------------------------------|--|
| No | Proclamation No | Department / State Institution | Gazetted Date and No |
| 1 | R42 of 2019 | FSP DoH and NWP DoH | GG 42577 dated 12 July 2019 |
| 2 | R40 of 2019 | ECDPW and ECDoE | GG 42577 dated 12 July 2019 |
| 3 | R39 of 2019 | FSP DHS | GG 42577 dated 12 July 2019 |
| 4 | R34 of 2019 | FSP DoH | GG 42577 dated 12 July 2019 |
| 5 | R30 of 2019 | NWDC | GG 42562 dated 5 July 2019 |
| 6 | R4 of 2019 | Umgeni Water | GG 42204 dated 1 February 2019 |
| 7 | R36 of 2018 | KZN DoT | GG 42101 dated 14 December 2018 |
| 8 | R16 of 2018 R25 of 2018 | MICT SETA | GG 41650 dated 25 May 2018 GG 41915 dated 21 September 2018 |
| 9 | R12 of 2018 | LIMRAL | GG 41581 dated 20 April 2018 |
| 10 | R10 of 2018 | DCS | GG 41561 dated 6 April 2018 |
| 11 | R5 of 2018 | TS TVET | GG 41433 dated 9 February 2018 |
| 12 | R4 of 2018 | AGRISETA | GG 41433 dated 9 February 2018 |
| 13 | R2 of 2018 R31 of 2019 | NW DPW R&T | GG 41387 dated 19 January 2018 GG 42562 dated 5 July 2019 |
| 14 | R30 of 2017 R45 of 2019 | KwaZulu-Natal Provincial Treasury | GG 41086 dated 1 September 2017 GG 42577 dated 12 July 2019 |

| | | | |
|----|----------------------------|---|---|
| 15 | R23 of 2017 R6 of 2019 | Gauteng Provincial Department of Health (Mental health care facilities) | GG 41000 dated 24 July 2017 GG 42204 dated 1 February 2019 |
| 16 | R9 of 2017 | KZN DoA | GG 40594 dated 3 February 2017 |
| 17 | R32 of 2016 | IDT, the DBE and the DEFS | GG 40004 dated 20 May 2016 |
| 18 | R22 of 2016 R27 of 2019 | DHS and LNW | GG 39935 dated 15 April 2016 GG 42562 dated 5 July 2019 |
| 19 | R55 of 2014 | Department of Labour and the Compensation Fund | GG 37884 dated 1 August 2014 |
| 20 | R54 of 2014 R44 of 2015 | National DPW: Prestige Directorate: WCP | GG 37884 dated 1 August 2014 GG 39488 dated 10 December 2015 |

3.3.3 Local Government

| Ongoing Proclamations | | | |
|-----------------------|--|--|--|
| No | Proclamation No | Department / State Institution | Gazetted Date and No |
| 1 | R58 of 2019 | uMgungundlovu District Municipality | GG 42828 dated 8 November 2019 |
| 2 | R35 of 2019 | Madibeng Local Municipality | GG 42577 dated 12 July 2019 |
| 3 | R17 of 2019 R12 of 2020 | City of Johannesburg | GG 42338 dated 29 March 2019 GG 43074 dated 6 March 2020 |
| 4 | R7 of 2019 | Moretele Local Municipality | GG 42218 dated 8 February 2019 |
| 5 | R35 of 2018 | Endumeni Local Municipality | GG 42101 dated 14 December 2018 |
| 6 | R28 of 2018 R5 of 2019 | Ekurhuleni Metropolitan Municipality | GG 41915 dated 21 September 2018 GG 42204 dated 1 February 2019 |
| 7 | R13 of 2018 | Eastern Cape Institutions (Nelson Mandela Funeral) | GG 41650 dated 25 May 2018 |
| 8 | R9 of 2018 | Mbhashe Local Municipality | GG 41561 dated 6 April 2018 |
| 9 | R7 of 2018 | Elias Motsoaledi Local Municipality | GG 41433 dated 9 February 2018 |
| 10 | R25 of 2017 | Lesedi Local Municipality | GG 41000 dated 24 July 2017 |
| 11 | R19 of 2017 | Alfred Nzo District Municipality | GG 40810 dated 25 April 2017 |
| 12 | R18 of 2017 R43 of 2019 | Thabazimbi Local Municipality | GG 40810 dated 25 April 2017 GG 42577 dated 12 July 2019 |
| 13 | R8 of 2017 R15 of 2018 R16 of 2019 | Mopani District Municipality | GG 40594 dated 3 February 2017 GG 41650 dated 25 May 2018 GG 42338 dated 29 March 2019 |

3.3.4 State-Owned Entities

| Ongoing Proclamations | | | |
|-----------------------|----------------------------|--------------------------------|---|
| No | Proclamation No | Department / State Institution | Gazetted Date and No |
| 1 | R2 of 2020 | SAA | GG 42979 date 31 January 2020 |
| 2 | R51 of 2019 | PRASA | GG 42670 dated 30 August 2019 |
| 3 | R32 of 2019 R57 of 2019 | Denel | GG 42562 dated 5 July 2019 GG 42828 dated 8 November 2019 |
| 4 | R11 of 2018 R3 of 2020 | Eskom and Transnet | GG 41561 dated 6 April 2018 GG 42979 dated 31 January 2020 |
| 5 | R29 of 2017 R19 of 2018 | SABC | GG 41086 dated 1 September 2017 GG 41754 dated 6 July 2018 |
| 6 | R53 of 2014 | SITA - IBM and iFirm | GG 37884 dated 1 August 2014 GG 38579 dated 17 March 2015 |

4. SUMMARY OF CIVIL LITIGATIONS

4.1 HIGH COURT CASES

| No | Proclamation Number | Department/ Institution | Court & Case Number | Remedy | Value |
|----|--|-------------------------|--|--|------------------|
| 1 | R7 of 2014 amended by 599 Of 2015 amended by R32 of 2017 | DRDLR | Gauteng Division Pretoria Case No: 90647/2018 | Action proceedings for just equitable relief | R208, 025, 175 |
| 2 | R59 of 2014 | DPW | Kwazulu-Natal Division (DBN) Case No: 1552/2019) | To review and set aside the lease in respect of fraud; recover all payment in respect of space; recover all payment in respect of rental that was not market related | R5, 140, 178 |
| 3 | R59 of 2014 | DPW | Kwazulu-Natal Division (PMB) Case No: 2563/19P | To review and set aside the lease agreement and recover all rentals; and alternatively recover rental that is not market related | R15, 907, 355 |
| 4 | R29 of 2017 amended by R19 of 2018 | SABC | Gauteng Local Division Case No: 18/16694 | SIU to join proceedings. Declaration of invalidity and just equitable relief | R85, 087, 367 |
| 5 | R29 of 2017 amended by R19 of 2018 | SABC) | Gauteng Local Division Case No: 18/29070 | Declaration of invalidity and just and equitable relief | R30, 219, 060 |
| 6 | R21 of 2018 | DoH | Eastern Cape uMtatha | Joinder of existing civil proceedings for the purpose of contesting the merits and quantum medico-legal claims. | R16, 209, 975 |
| 7 | R21 of 2028 | DoH | Eastern Cape uMtatha | Joinder of existing civil proceedings for the purpose of contesting the merits and quantum of medico-legal claims. | R22, 575, 000 |
| 8 | R21 of 2018 | DoH | Eastern Cape uMtatha | Joinder of existing civil proceedings for the purpose of contesting the merits and quantum of medico-legal claims. | R16, 300, 000,00 |
| 9 | R21 of 2018 | DoH | Eastern Cape uMtatha | Joinder of existing civil proceedings for the purpose of contesting the merits and quantum of medico-legal claims. | R9, 000, 000.00 |
| 10 | R29 of 2017 amended by R19 of 2018 | SABC | Gauteng Local Division Case No: 2483/20 | Declaration of invalidity and just and equitable relief | R850 000.00 |
| 11 | R29 of 2017 amended by R19 of 2018 | SABC | Gauteng Local Division Case No: 19/15837 | Declaration of invalidity and just and equitable relief | R42 305 000 |

4.2 SPECIAL TRIBUNAL

| No | Proclamation Number | Department/ Institution | Court & Case Number | Remedy | Value |
|----|---------------------|--|---------------------|---|---------------|
| 1 | R23 of 2017 | SIU and 1 another vs Shammah House and 3 others | GP/01/19 | Action proceedings to recover undue payments. | R2.4m |
| 2 | R23 of 2017 | SIU and 1 another vs Thuli house and 2 others | GP/02/19 | Action proceedings to recover undue payments | R124 000.00 |
| 3 | R23 of 2017 | SIU and 1 another vs Ubuhlebenkosi ministries NPO and 2 others | GP/03/19 | Action proceedings to recover undue payments | R138 000.00 |
| 4 | R23 of 2017 | SIU and 1 another vs San Michele house NPO and 2 others | GP/04/19 | Action proceedings to recover undue payments | R2.8m |
| 5 | R23 of 2017 | SIU and 1 another vs Goitsi Modimo Centre for disabled persons and 1 another | GP/05/19 | Action proceedings to recover undue payments | R200 000.00 |
| 6 | R23 of 2017 | SIU and another vs Rebafenyi NPO and 2 others | GP/06/19 | Action proceedings to recover undue payments | R216 000.00 |
| 7 | R24 of 2017 | SIU vs Cultivers (Pty)Ltd and 3 others | GP/07/19 | Declaration of invalidity and just and equitable relief | R3m |
| 8 | R28 of 2017 | SIU vs Minister of Correctional Services and 6 others | GP/08/19 | Declaration of invalidity and just and equitable relief | R1.8bn |
| 9 | R21 of 2018 | SIU and 2 others vs KG Lekabe | GP/09/19 | Action proceedings to recover undue payments | R34m |
| 10 | R21 of 2018 | SIU and 2 others vs Lekabe and 2 others | GP/10/19 | Application to freeze pension, pending action proceedings | R4m |
| 11 | R6 of 2018 | SIU vs RMLM, Kwane Capital and 1 other | EC/01/20 | Action proceedings to recover undue payments | R60m |
| 12 | R36 of 2017 | SIU vs ANLM, Kwane Capital and 1 other | EC/02/20 | Action proceedings to recover undue payments | R23m |
| 13 | R2 of 2018 | SIU vs Maczola Tours CC and 4 others | NW/01/2020 | Declaration of invalidity and just and equitable relief | R 180 793.20 |
| 14 | R2 of 2018 | SIU vs RI Mako Trading and Projects CC and 1 other | NW/02/2020 | Declaration of invalidity and just and equitable relief | R5 205 577.56 |
| 15 | R2 of 2018 | SIU vs Lematshe Distributors Services CC and 2 others | NW/03/2020 | Declaration of invalidity and just and equitable relief | R1 035 942.82 |
| 16 | R2 of 2018 | SIU vs MP2 Trading Enterprises CC and 1 other | NW/04/2020 | Declaration of invalidity and just and equitable relief | R791 512.96 |

| No | Proclamation Number | Department/ Institution | Court & Case Number | Remedy | Value |
|----|------------------------------------|---|---------------------|---|---------------|
| 17 | R2 of 2018 | SIU vs Blazepoint Trading 245 and 1 other | NW/05/2020 | Declaration of invalidity and just and equitable relief | R2 261 928.48 |
| 18 | R2 of 2018 | SIU vs Kenlet Educational Projects CC and 1 other | NW/06/2020 | Declaration of invalidity and just and equitable relief | R5 908 380.93 |
| 19 | R29 of 2017 amended by R19 of 2018 | SIU vs RYBAK (SABC lease Nelspruit) | GP/01/2020 | Declaration of invalidity and just and equitable relief | R60m |
| 20 | R29 of 2017 amended by R19 of 2018 | SIU vs Kuben Theran | GP/02/2020 | Matter withdrawn and joined with another matter in the High Court | R82m |
| 21 | R2 of 2018 | SIU vs Lekalakala | NW/07/2020 | Application to freeze pension, pending action proceedings | R2m |
| 22 | R2 of 2018 | SIU vs Iqhawe Resources | NW/08/2020 | Declaration of invalidity and just and equitable relief | R626 000.00 |
| 23 | R2 of 2018 | SIU vs Thito Suppliers | NW/09/2020 | Declaration of invalidity and just and equitable relief | R6 215 000.00 |

PART C

GOVERNANCE

ACRONYMS

1. Introduction
2. Compliance with Laws and Regulations
3. Portfolio Committees
4. Internal Committees
5. Risk Management
6. Fraud and Corruption
7. Minimising Conflict of Interest
8. Internal Audit and Audit Committee Report

ACRONYMS

| | |
|-----------------|--|
| AC | Audit Committee |
| AGSA | Auditor General of South Africa |
| BCM | Business Continuity Management |
| COGTA | Cooperative Governance and Traditional Affairs |
| COVID-19 | Coronavirus Disease 2019 |
| DC | Disciplinary Committee |
| EXCO | Executive Committee |
| HoU | Head of the Unit |
| HR | Human Resource |
| IIU | Internal Integrity Unit |
| IMTT | Inter-Ministerial Task Team |
| MISS | Minimum Information Security Standards |
| NCOP | National Council of Provinces |
| PFC | Portfolio Committee |
| SCOPA | Standing Committee on Public Accounts |
| SIU | Special Investigating Unit |
| SSA | State Security Agency |
| SAPS | South African Police Service |

1. INTRODUCTION

The SIU is a Schedule 3A Entity without a Board, and the Head of the Unit fulfils the full responsibility of the board as the Accounting Authority, assisted by the Executive Committee members as per the PFMA Section 49(2)

The SIU operates by adhering to good governance principles and reports functionality to the Portfolio Committee on Justice and Correctional Services and to the Presidency, while it administratively reports to the Minister of Justice and Correctional Services.

2. COMPLIANCE WITH LAWS AND REGULATIONS

The Accounting Authority authorised the establishment of the Compliance in the 2018/19 financial year. SIU partially implemented the approved Compliance Framework during the financial year 2019-2020. However, the recruitment process for the filling of vacancies is still underway. In the interim, the following measures to ensure compliance with regulations were and are being implemented:

1. Established a Compliance Function: Drafted Compliance Framework, Regulatory universe, Compliance Risk Management Plan, Compliance Monitoring Plan, Training Plan, and obtained authority to recruit compliance officer.
2. The compliance function advised and furnished opinions to SIU business units on the nature and extent of relevant legislative provisions.
3. Adherence of applicable legislation by SIU business Units were ensured and monitored through policy, practice and assurances by governance structures.

3. PORTFOLIO COMMITTEES

The SIU has appeared before its respective oversight Portfolio Committee on Justice and Correctional Services, as well as before other Portfolio Committees and SCOPA upon requests received. The table below reflects: the names of Portfolio Committees appeared before; reasons for the appearances and the dates of the meetings

| Name of Portfolio Committee or Committees | | Reason for the appearance | Date of the meeting |
|--|--|---|---------------------|
| Portfolio Committee on Justice and Correctional Services | | Briefing on the SIU 2019/20 APP and Budget | 09 July 2019 |
| | | Presenting the SIU 2018/19 Annual Report | 15 October 2019 |
| Other Portfolio Committees/Parliament Committees | Select Committee on Security and Justice | Briefing on the SIU 2019/20 APP and Budget | 10 July 2019 |
| | SCOPA | An update on the cases that have been referred to the SIU by the SABC. | 18 September 2019 |
| | | Briefing by SIU on all the municipalities that are currently being investigated by the SIU. | 16 October 2019 |
| | | Appearance with DCS on DCS related investigations | 19 November 2019 |
| | Portfolio Committee on COGTA | Report on outcomes of forensic investigations in Local Government by SIU, Hawks and NPA | 03 March 2020 |

4. INTERNAL COMMITTEES

| No | Committee Name | Nr. Of Meetings Held during Period under Review | Notes on Attendance |
|----|------------------------------------|---|---------------------|
| 1. | Audit Committee | 5 | Refer to Annexure A |
| 2. | Risk Management Committee | 2 | Refer to 4.1 |
| 3. | Human Capital Management Committee | 2 | Refer to 4.2 |
| 4. | ICT Committee | 1 | Refer to 4.3 |

4.1 Risk Management Committee

The Risk Committee comprises SIU internal members and one external member, Ms P Ramutsheli who is the Chairperson of the Risk Committee. The chairperson attended all the two meetings that were held during the year under review. The meetings were convened on the following dates:

- 15 July 2019
- 17 October 2019

4.2 Human Capital Management Committee

The HR Committee comprises of SIU internal members and two external members, Ms A Clark and Ms T Maja who are co-chairing the committee. Ms Clark and Ms Maja both attended the meetings that were convened during the period under review, the meetings were convened on the following dates:

- 11 February 2019
- 05 August 2019

4.3 ICT Committee

The ICT Committee comprises of SIU internal members and one external member, Dr Tebogo Sethibe who is the chairperson of the committee. The chairperson attended the meeting that was convened during the period under review, the meetings was convened on the following date:

- 17 March 2020

5. RISK MANAGEMENT

The SIU continues to implement the approved Enterprise Risk Management (ERM) Policy Framework across the organisation. This is demonstrated by a good progress that has been made in terms of embedding risk management in all SIU activities and processes. Risk management is now part of the organisational planning and decision-making process. The organisation has identified top 10 strategic risks that are likely to impact on the achievement of strategic objectives if they are not mitigated.

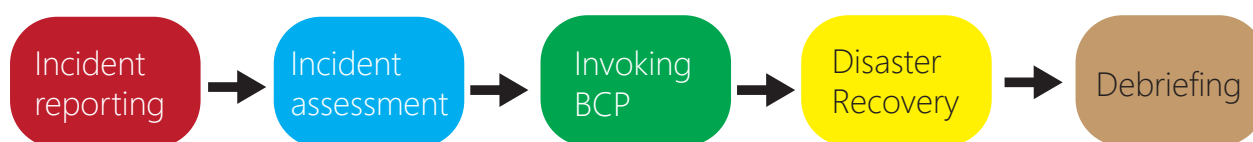
The implementation of risk mitigation plan in relation to the identified top 10 strategic risks is monitored by the Risk Committee that is presided by the independent chairperson. The Risk Committee has duly met in this financial year as per the approved terms of reference. The below risk heat map depicts the top 10 strategic risks and progress made to reduce the risk exposure:

| No | Top 10 Strategic Risks | Residual Risk | | | Risk Exposure |
|-----|---|---------------|--------|-------------|---------------|
| | | Likelihood | Impact | Risk rating | |
| 1. | Failure by the State institutions to impement SIU legal recommendations emanating from investigations | E | 3RB | I | ↑ |
| 2. | Inability to pro-actively assist public institutions to prevent corruption and maladministration practices | D | 1RB | I | ↔ |
| 3. | Insufficient preparedness to respond and deal with physical threats to SIU investigations and security breaches | D | 2RB | I | ↔ |
| 4. | Inability to conduct forensic investigations according to pre-determined standards and procedures. | C | 2RB | II | ↔ |
| 5. | Failure to enroll and finalize civil litigations cases in the Special Tribunal Court. | C | 2LC | II | ↓ |
| 6. | Inability to achieve forensic investigations legal outcomes. | C | 3RB | II | ↓ |
| 7. | Failure to comply with financial management and procurement service delivery standards and legal prescripts. | C | 3RB | II | ↓ |
| 8. | Inability to implement effective performance management system across the organisation | C | | | ↔ |
| 9. | Ineffective collaborations with external and internal stakeholders. | C | 3RB | II | ↔ |
| 10. | Failure to provide appropriate ICT services across SIU business. | C | 3RB | II | ↓ |

↓ Risk exposure decreasing ↑ Risk exposure Increasing ↔ Risk unchanged

Business Continuity Management

The SIU continues to implement the approved Business Continuity Management (BCM) Policy throughout the organisation. The BCM Policy has been operationalize through Business Continuity Plan (BCP) that has been developed and approved, which focuses on the following key processes to ensure minimal disruptions to business operations:



The BCM Committee has been established as provided for in the BCM Policy to render guidance and response to SIU business incidents. All incidents with a potential to disrupt SIU business operations have been identified and subjected to a process called "Business Impact Assessments (BIA)". This process identifies and evaluates the potential impact of disruptive events or incidents (if it occurs) to business operations and continuity measures required.

In this regard, the BCM Committee has been activated to guide and manage SIU response in dealing with the Coronavirus Disease 2019 (COVID-19). The COVID-19, which has been declared by the World Health Organisation (WHO) as a global pandemic, is a respiratory disease caused by the SARS-CoV-2 virus.

The Committee identified and implemented quite a number of strategic interventions to ensure that the risk of COVID-19 infections is managed. These interventions, which were implemented before the first lockdown (26 March 2020) that was announced by the President, include amongst others, COVID-19 risk assessment, procurement of Personal Protective Equipment (PPE), COVID-19 training and awareness, and approved COVID-19 Guidelines, to mention just a few.

6. FRAUD AND CORRUPTION

The SIU is integral to the Government's intention to combat and prevent malpractice, maladministration and corruption. It is therefore of utmost importance that the members of the SIU are not involved in such practices themselves. To this end, the SIU developed an Anti-Corruption strategy and plan to fight any occurrence of this within the SIU. The progress of the implementation of the Anti-Corruption plan is monitored by the Risk Management unit within the SIU. The Risk Management is involved in all four areas of the plan, constituting: Prevention, Detection, Investigation and Resolution.

6.1 PREVENTION

6.1.1 Ethical Culture

The Executive Committee (EXCO) and Senior Management set an ethical "tone at the top" and this influences how SIU employees respond to ethical challenges. The values of the SIU are lived by its members and honoured through their daily interaction with all stakeholders. One of these values is "integrity", which refers to the submission of values, principles and norms in the business operations of the SIU. In achieving a culture of integrity, the SIU has a coherent system of integrity management which is monitored and enforced daily. The SIU also anticipates risks and applies countermeasures.

6.1.2 Screening

The SIU has to ensure that only fit and proper persons are employed for the protection of the information, personnel, assets, resources and other stakeholders. In order to achieve this, all applicants for vacancies in the SIU are screened by the Risk Management unit to determine the possible risk that the candidate may pose to the Unit and whether the SIU would be willing to accept this risk. In the next financial year 2021/22 SIU will resume the re-screening of its employees provides a preventative measure to avert unethical behaviour.

6.1.3 Good Governance

The Chief Risk Officer reports directly to the Head of the Unit (HoU) and any transgressions are reported to the Audit Committee. The Chief Audit Executive reports to the HoU administratively and to the Audit Committee in terms of functionality.

6.1.4 Training and Awareness

Assistance is given to the Chief Programme Portfolio Officer by presenting presentations on ethics-related topics to clients of the SIU during workshops. The aim of these training sessions is to enhance knowledge and understanding of fraud and corruption and the role of ethics in the prevention thereof.

SIU employees were trained on policies and procedures, ethics awareness, good governance measures and where to report unethical transgressions. Much progress was made in the development of an e-learning module on ethics and integrity which will enhance the ethics awareness drive internally.

Furthermore, the SIU disseminates communiqué regarding corruption, fraud and unethical behaviour bi-weekly through SIU Communications. This communiqué is received from The Ethics Institute, of which SIU members are formal supporters.

6.1.5 Physical and Information Security

Risk Management in partnership with the State Security Agency (SSA) has trained SIU members on the Minimum Information Security Standards (MISS).

6.1.6 Employee Vetting

In order to access classified information of SIU's clients, SIU members have to be in possession of a security clearance. SSA is responsible for the vetting of SIU members and Risk Management coordinates the administration thereof and the talks are at the advanced level between SSA and SIU to conduct its own vetting and SSA will review and issue the certificates. SIU service providers are screened by SIU Internal Integrity Unit before they resume their work with SIU.

6.1.7 Fraud and Ethics risk assessments

The Risk Management unit facilitates fraud and ethics risk assessments that are aimed at identifying and addressing potential fraud and corruption risks which have an impact on the achievement of the objectives of the Unit. These fraud and ethics risk assessments were performed across SIU business units and corrective measures were taken to close the gaps that were identified.

6.2 DETECTION

6.2.1 Corruption Databanks

Fraud and corruption are detected by analysing ethics and culture surveys, complaints reports, audit reports, screening reports, whistle-blower hotline reports, investigation reports, submission of annual declarations and declaration of gifts. Trend analysis

is a valuable tool to detect possible fraud and corruption. Transgressions are reported to the oversight bodies, SAPS, SSA and/or referred internally for investigation.

6.2.2 Whistle-blowing and reporting mechanisms

The main mechanism available to members of the SIU and the public to report suspected fraud, corruption or maladministration is the whistle-blower hotline. This hotline offers a toll-free number 0800 037 774, toll-free facsimile 0800 212 689, SMS number 33490 or email address siu@whistleblowing.co.za. An independent company, which does not record telephone calls, track caller identity, trace electronic communications, or otherwise attempt to determine the caller's identity operates this SIU whistle-blower hotline. The report is anonymous, even if the caller is willing to make his/her identity available. The SIU whistle-blower hotline is available 24 hours a day, seven days a week. Services are offered in the 11 official languages.

Members can also report suspected wrongdoing to Risk Management, HR or their line managers.

6.2.3 Screening

Background screenings are conducted on prospective employees and members who are transferred to other positions to ensure that employees of the SIU have and maintain integrity and that they are fit and proper persons.

By performing pre-employment screenings, the potential risk that a person may pose to the SIU is determined and areas of concern are detected.

6.3 INVESTIGATIONS

Upon receipt of allegations of fraudulent and corrupt practices as well as ethical misbehaviour that are taking place internally, the Chief Risk Officer obtains a mandate from the HoU to investigate these matters. After finalisation of the investigations, the Chief Risk Officer provides the reports to the HoU and makes referrals to the relevant departmental line managers and Human Capital Business Partner. The reports are also made available to the Internal Audit division upon request.

6.4 RESOLUTION

When recommendations for disciplinary action are made in an internal investigation, the Disciplinary Committee decides whether to proceed with disciplinary action or not. The internal integrity officer who investigates a matter will testify in the disciplinary hearing if necessary. Risk Management Unit members also serve other members with suspension letters and recover the Unit's property such as laptops etc.

If the matter is of a criminal nature (such as fraud or theft) the Risk Management unit will report it to the SAPS on instruction from the HoU. Risk Management also advises the HoU on implementation of improved controls, arranging for civil recovery and criminal prosecution and explores the possibility of making related recoveries by engaging other agencies.

7. MINIMISING CONFLICT OF INTEREST

In minimising conflict of interest, the following internal measures are put in place:

- Members 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;
- Members are required to complete a gift register where all gifts received in the work environment are declared. Their managers have to co-sign the register to ensure oversight. The receiving of gifts is discouraged and it should always be considered whether it might cause a potential conflict of interest;
- All members are expected to annually declare their assets and interests. In the year under review, 539 employees were expected to submit their declarations. The return rate was 100%;
- Members are also required to apply for permission for outside remuneration which may or may not be approved by the HoU. During the year under review a total of 27 applications were submitted of which 26 were approved.



Mr Thulani Mkhungo
Chief Risk Officer

8. INTERNAL AUDIT AND AUDIT COMMITTEE REPORT

8.1 Internal Audit Report

Introduction

The SIU had a co-sourced Internal Audit Function led by the Chief Audit Executive during the 2019/20 financial year.

Roles and Responsibilities

During the year under review, Internal Audit fulfilled all the functions and discharged its responsibilities as prescribed in the Public Finance Management Act, No 1 of 1999; King VI and the approved Internal Audit Charter. It functionally reported to the Audit Committee and administratively to the Head of the Unit

Summary of Main Activities

Integral to the discharge of its duties and obligations, Internal Audit has executed the following activities:

(a) In respect of internal control and internal audit:

- Reviewed and approved by the Audit Committee the annual internal audit charter which clearly defined the purpose, authority and the responsibility of the Internal Audit function.
- Prepared in consultation with the audit committee the three-year rolling strategic internal audit plan including the annual plan for the 1st year of the rolling plan, based on the assessment of key areas of risk for the Unit and its risk strategy. The Internal Audit Plan also reflected the scope of each audit and was approved by the Audit Committee
- Prepared and presented at all Audit Committee meeting the following activities, with the Committee satisfied:
- Reports detailing its performance against the plan, to allow for effective monitoring and intervention where necessary.
- the reports regarding the systems of internal control including financial controls and maintenance of effective internal control systems;
- The function was independent of management activities with no consulting services undertaken during the financial year and there were no limitations on access to information.
- Internal Audit coordinated activities with other assurance providers within and outside SIU including the Auditor General. The Combined Assurance Framework, Combined Assurance Forum operating with approved terms of reference, and Combined Assurance Plan were developed, approved and implemented within the financial year. Quarterly reports on progress against the plan were tabled at the Audit Committee and the Committee was satisfied with the progress made.
- In respect of its activities, the Internal Audit function provided assistance to the Head of the Unit in maintaining effective internal controls as required by PFMA Sec 27.2.10, by evaluating those controls to determine their effectiveness and efficiency and by developing the recommendation for improvement. This was achieved through implementation of the 2019/20 approved Audit plan as follows:

| No | Audit |
|----|--|
| 1. | Quotations Procurement Audit |
| 2. | Performance Information |
| 3. | Financial (Debtors) Management Audit including Accounts Payable. |
| 4. | Expenditure Management Audit |
| 5. | IT Management Audit |
| 6. | Risk Management Audit |
| 7. | Bids Continuous Audits |

| No | Audit |
|-----|--------------------------------------|
| 8. | Programme Portfolio Management Audit |
| 9. | Performance Bonus reviews |
| 10. | Annual Financial Statement reviews |
| 11. | Organisational Review |
| 12. | Follow up Audits |

Two audits relating to Investigation Management and Recruitment Management Audits were deferred to the following year at management request and the Audit Committee approval.

Conclusion

Based on the audits completed within the financial 2019/20, the overall conclusion on the status of internal controls to mitigate risks is that controls are adequate but some were not wholly effective (partially effective) in achieving their purpose and ensuring that the Unit's objectives were achieved.



Ms Boaratwa Leshope
Chief Audit Executive

8.2 Audit Committee Report 2019/20

Introduction

It is the responsibility of the Audit Committee, duly appointed by the Accounting Authority (Head of the Unit), to issue this report for the 2019/20 financial year. The activities of the Committee are guided by the legislated mandate as well as detailed Terms of Reference duly informed by the Public Finance Management Act (Section 27.1) and King IV and are approved by the Head of the Unit. The Committee is also tasked with the oversight of the risk management in terms of the PFMA; however, this has been delegated to a stand-alone Risk Management Committee which is the subcommittee of the Audit Committee. The Risk Management Committee has provided the necessary oversight and assurance to this Committee which has had sight of all Risk Management Committee report for the review period.

Roles and Responsibilities

During the year under review the Committee fulfilled all the functions and discharged its responsibilities as prescribed in the Public Finance Management Act, No 1 of 1999; King IV and the Terms of Reference.

Summary of Main Activities

Integral to the discharge of its duties and obligations, the Committee has considered the following:

(a) In respect of internal control and internal audit:

- Reviewed and approved the annual Internal Audit Charter and annual risk-based audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its charter and approved audit plan;
- Considered the reports of the internal auditor regarding the systems of internal control including financial controls and maintenance of effective internal control systems;
- Received assurance that proper and adequate accounting records were maintained, including the safeguarding of assets and the prevention of corruption and fraud;
- Reviewed significant issues raised by the internal audit processes and the adequacy, and implementation, of corrective action in response to significant internal audit findings; and
- Assessed the adequacy of the performance of the internal audit function, and the adequacy of the available internal audit resources and were satisfied with the resource arrangements.

Based on the above, the Committee formed the opinion that, while the controls were adequate some were not wholly effective in achieving their purpose and ensuring that the Unit's objectives were achieved. The Committee was however, of the opinion that this did not lead to any material breakdown in internal controls, including financial controls and business risk management.

(b) In respect of risk management and information technology:

- Considered the report from the Risk Management Committee on the Unit risk assessment and risk management, including fraud risks and information technology risks as they pertain to financial reporting and found them to be sound;
- The Committee has exercised oversight in respect of financial reporting risks, internal financial controls, fraud risks and IT risks as they relate to financial reporting.

(c) In respect of performance information:

- Oversaw the performance information throughout the year through the quarterly internal audit reports received, exercised oversight over the Unit quarterly performance reports and recommended them to the Accounting Authority for approval for submission to the Executive Authority;
- Considered the Annual Performance Report for the year under review and recommended it for approval to the Head of the Unit for submission to the Executive Authority and the external auditors within the prescribed timelines.
- The Committee noted the audited annual performance report and recommended to the Accounting Authority for approval.

(d) In respect of the external audit:

- In consultation with Executive Management, the Committee reviewed and noted the Auditor-General's engagement letter and Audit Strategy including the amended Audit Strategy taking into account the Covid 19 impact on the audit process, and recommended them together with the fees for approval by the Accounting Authority.
- Obtained assurances from the external auditors that adequate accounting records were being maintained, including reports pertaining to the effectiveness of the Unit's internal control environment, systems and processes.
- Considered and satisfied itself that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act. Other than the closing balance disclosed in the annual financial statement, no other new incidents of irregular expenditure has been identified in the current year.
- Made recommendations to the Head of the Unit regarding corrective actions to be taken as a consequence of any audit findings.

(e) In respect of External Auditor Independence

The Committee has satisfied itself that the external auditor is independent of the entity and has conducted themselves and demonstrated high level of professionalism and integrity during the audit and in engagements with management.

(f) In respect of the Annual Financial Statements:

- Confirmed that "going concern" assumption was correctly used as the basis of the preparation of the annual financial statements and considered the basis upon which the Unit was determined to be a going concern;
- Considered the annual financial statements, the information upon which the statements were prepared and the correctness thereof prior to submission and approval by the Accounting Authority;
- Ensured that the annual financial statements fairly present the financial position of the Unit as at the end of the financial year;
- Considered accounting treatments and accounting judgements and conclusions;
- Considered the appropriateness of the accounting policies adopted and any changes thereto;
- Reviewed the external auditor's audit report, including any significant legal and tax matters that could have a material impact on the financial statements;
- Created an environment for engagements with the external auditors, internal auditors and management at every meeting including outside the meetings to ensure all parties had an opportunity to raise any concerns with the Committee; and
- Considered the audited annual financial statement and recommended them to the Accounting Authority for submission to the Executive Authority as part of the annual report.

(g) In respect of legal and regulatory requirements to the extent that it may have an impact on the financial statements:

- Reviewed with management, legal matters that could have a material impact on the Unit;
- Considered progress from the Chief Legal Counsel on the Unit's procedures to ensure compliance with legal and regulatory responsibilities. The SIU has a three-year plan on policy review and progress against the plan has been considered by the Committee. The Committee was satisfied with the Management commitments to ensure that outstanding policies are finalised in the new financial year.
- Confirmed with management that they had reported on any items of unauthorised, irregular and fruitless and wasteful expenditure in terms of the PFMA (S 55(2b)); and
- Considered reports provided by management, the internal auditors and the external auditors.

(h) In respect of the coordination of assurance activities:

- Reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant risks facing the business.
- The Committee is satisfied that implementation of Combined Assurance model within SIU is indicative of growth. The process is coordinated by Internal Audit and there is an approved Combined Assurance Framework, Plan and the Combined Assurance Forum operating with approved terms of reference. The Committee considered quarterly reports of the progress made against the Combined assurance plan and improvements are continuous.

(i) Evaluation of the Expertise and Experience of the Chief Financial Officer and Finance Function

- The Committee has satisfied itself that there is stability within the finance management function, the Unit had a fulltime appointed Chief Financial Officer throughout the financial year 2019/20 who has appropriate financial expertise and experience.
- The Committee has also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the Finance function including the experience of senior members of management responsible for the financial function.

(j) In respect of the Auditor General's report:

- The Committee has reviewed the SIU Implementation plan for audit matters raised in the previous years and noted the progress made in resolving them. The Committee considered management reasons for delayed implementation and management commitments to ensure all findings are resolved.
- The Committee considered the Auditor General's report on the Unit's audit outcome for the period and noted with great joy the Auditor General's unqualified audit opinion with no material findings on financial statement, performance information, and compliance to key legislation and effective internal control measures for the 2019/20 financial year.
- The Committee is congratulating and commending the Accounting Authority, Executive Management and employees of the Unit for the job well done, having the entity maintaining the clean audit outcome for more than three consecutive years. Also challenged the Accounting Authority to develop a strategy to maintain this excellent performance that has been shown in consecutive years.
- The Committee prides itself to be associated with an institution with the caliber of the leadership, where management under the leader of the Accounting Authority (Head of the Unit,) had despite the impact of Covid 19 on operations, still been able to be compliant in meeting all the requirements for the financial year end reporting over and above maintaining the clean audit outcome.

(k) Attendance:

Please refer to Annexure A for the schedule of meetings held and attendance by members.



Ms Nandi Madiba
Chairperson of the Audit Committee:

ANNEXURE A: AUDIT COMMITTEE ATTENDANCE 2018/19

| AUDIT COMMITTEE ATTENDANCE 2019/20 | | | | | | | | | | |
|------------------------------------|---------------------|--|---|--------------|---------|-------------|-------------|--------------|--|-------------|
| No | Name | Qualifications | Role | Appointed | Status | | | | Ordinary Meetings attended: Absent (A) Present (P). Retired or new member (-) | |
| | | | | | | 17 May 2019 | 28 May 2019 | 19 July 2019 | 18 Nov 2019 | 29 Jan 2020 |
| 1. | Nandi Madiba | Hons (B Compt) +CTA-Papers (NDP-Applied Taxation, Applied Auditing, Public & Computer Auditing); BComm (Acc); Advanced Taxation Certificate; Diploma -Human Resources Management and Certificates: Programme in Municipal Finance & Development; Principles of Project Management, Evaluation, Public Management and Development. Executive Prep Programme. Implementation & Auditing of ISO 9001; 14001 &18001 – SABS. | Audit Committee Chairperson | 28 Feb 2019 | Current | P | P | P | P | P |
| 2. | Zola Fihlani | CA(SA); M.Com (Tax); Higher Diploma in Tax Law; Higher Diploma in International Tax Law; B. Compt (Hons); B. Com in Accounting. | Member | 15 Sept 2017 | Current | P | P | P | P | A |
| 3. | Kriba Moodley | B.A Degree; LLB and Post Graduate Diploma in Regulatory Compliance; International Masters in Compliance; University Computer Diploma; Diploma in Advance Banking; Certificate in Compliance Management | Member | 15 May 2017 | Current | P | P | P | P | P |
| 4. | Joshua Motjuwadi | Bachelor of Science; Executive Development Programme (EDP) Delivering Information Services IoDSA Non-Executive Directorship Programmes. | Member | 28 Feb 2019 | Current | P | P | P | P | P |
| 5. | Peterlia Ramutsheli | Certified Internal Auditor (CIA); Masters' Degree in Internal Auditing; B Tech Degree in Internal Auditing; Assessor Qualification | Cross Audit Committee Member (Risk Committee Chairperson) | 15 May 2017 | Current | P | P | P | A | P |

PART D

HUMAN CAPITAL

ACRONYMS

1. Introduction
2. Human Capital Oversight Statistics

ACRONYMS

| | |
|----------------|--|
| AFU | Asset Forfeiture Unit |
| BU | Business Unit |
| CCMA | Commission for Conciliation, Mediation and Arbitration |
| L&D | Learning and Development |
| MTEF | Medium-Term Expenditure Framework |
| OHS | Occupational Health and Safety |
| SHEQ | Safety, Health, Environment and Quality |
| SSA | State Security Agency |

1. INTRODUCTION

The SIU is a Schedule 3A Entity without a Board, and the Head of the Unit fulfils the full responsibility of the board as the Accounting Authority, assisted by the Executive Committee members as per the PFMA Section 49(2)

The SIU operates by adhering to good governance principles and reports functionality to the Portfolio Committee on Justice and Correctional Services and to the Presidency, while it administratively reports to the Minister of Justice and Correctional Services.

As the SIU's Human Capital division, we continue to work towards aligning the overall structure of our business to ensure best practice with the ultimate aim of creating a more streamlined business structure, thus improving overall efficiency. To this end, as of 01 April 2019, the SIU implemented Project Siyakha "Organizational Restructuring" which resulted in 101 employees being placed at different levels within the organisation.

The SIU understands how imperative business transformation is and recognises diversity as a strategic advantage. Furthermore, the SIU has made progress in appointing black female senior executives through its recruitment processes with notably 7% black women at top management positions. As a result, the SIU also seeks to focus on internal career mobility measures and development of its Leadership structure.

A major shift in our scope of responsibilities requires identifying key capabilities for the future, building talent pipelines, recognizing and developing internal capabilities, recruit candidates with promising capabilities, and optimising support towards personal development. The development and enhancement of skills for all our employees including those at management or leadership positions are key during this transition. The SIU's own attractiveness as an employer of choice is paramount to our ability of attracting and retaining key talent. The demand for capacity at the SIU is driven mainly by the rising number of approved proclamations.

We are also currently working towards creating a conducive working and trusting environment in which employees are comfortable to engage and disclose their disability status. To this end, a number of our initiatives focus on disability part of our diversity and inclusion agenda. We are also committed to implementing various modifications at our head office building and regional offices to ensure sufficient accessibility for people living with Disabilities.

Thus, the Human Capital (HC) function seeks to focus on value-adding activities that support the execution of the business strategy and objectives and during the year under review our primary focus areas have been:

- 1. Placements:** The Siyakha Project was concluded in the year under review with 498 employees being placed in their new positions and 387 employees' grades were changed (158 upgraded and 229 downgraded).
- 2. Resourcing:** In order to capacitate the SIU to function optimally, it was important to maintain the lowest levels of vacancies, in approved and funded positions. A 12% vacancy rate was committed however could not be reached due to delays of the recruitment process. The conclusion of the Recruitment Guidelines with Labour took longer than anticipated due to the complexity of issues. Having now concluded the Agreement, the focus is on accelerating recruitment.
- 3. Entrenching the "Do Culture":** A strong culture remains essential for the SIU's long- term success and for its stakeholder relationships. Its intention is to inculcate a culture of staff engagements. SIU has focused on actively engaging employees and anchored the values of the organisation in all people processes. Regional staff engagements were conducted with all employees throughout all the regions to embed the values in business processes, practices and policies.
- 4. Performance Management System:** The engagement and roll-out of output performance management system is of paramount importance from an organizational development perspective. Through this system, individuals will ultimately be held responsible and accountable for their individual performance. To this end, draft Performance Management and Development Policy has been developed, and consultations with Labour on these are at an advanced stage.
- 5. Learning & Development (L&D):** Roll-out of the critical L&D Interventions in line with Business units' needs and these include internship programme and Leadership Development Programme etc.

a. A Forensic Investigations Development Program (FIDP) aimed at capacitating unemployed LLB Graduates and qualifying SIU internal candidates with knowledge and skills in the area of forensic investigations was implemented through a one-year programme. A total number of 44 candidates, which included 23 young unemployed graduates and 21 qualifying internal candidates, underwent an intensive blended learning programme that saw a wide range of theoretical and practical assessments being conducted during the program. Of the Interns who participated, 100% of them were black and 52% of them were women.

b. The Live Forensics DARWIN (Data Analysis Response Windows) TOOL, which is the second level course of the Cyber Forensics First Responder Programme was successfully launched with SIU Internal Trainers in partnership with the French Embassy. The programme is aimed at capacitating Forensic Investigators with the tools to scan a shutdown computer and realize forensic copy of data without altering the source. A total of 10 Trainers were equipped with these skills through the initial phase of level two, all being male. The next programme will focus on 10 females.

c. A total of sixteen (16) forensic investigators has been trained through a partnership programme between the SIU, AFU and SSA on Intelligence Gathering and Analysis, Asset Tracing and Forfeiture and Financial Investigations. The same programme to be rolled out for all SIU Investigators in the 2020/21 financial year.

d. A total of 62 SIU members have been awarded bursaries at an actual cost of R 787 717.98 for the period under review.

6. Remuneration Strategy: The finalisation of the remuneration strategy and policy remains one of the outstanding deliverables in terms of the Siyakha rollout.

7. Employee Engagement: Working on establishing and solidifying a relationship of trust with Labour has been core to our agenda. The National Education, Health and Allied Workers' Union (NEHAWU) is the key stakeholder. The successful implementation of some Project Siyakha work can be attributed to a number of engagements that took place during the year. The recognition agreement provides for 4 engagements and due to commitment from both parties, 11 engagements took place even though the results would be seen in the following year.

8. Employee Wellness: On a frequent basis, the Human Capital communicates with employees about various wellness issues and has conducted training throughout the year under review. We have also appointed a Wellness Service Provider which offers telephonic counselling service for employees who require counselling on difficulties they may or have encountered at work or at home. The key initiatives for the year under review includes awareness training sessions on Mental Health, Men & Women's Health sessions, SIU Wellness day and HIV/Aids road shows.

2. HUMAN CAPITAL OVERSIGHT STATISTICS

2.1 Personnel Related Expenditure

2.1.1 Personnel expenditure by category

| Category | Personnel Expenditure (R'000) | Personnel exp. as a % of total personnel exp. (R'000) | No. of employees | Average personnel cost per employee (R'000) |
|--------------|-------------------------------|---|------------------|---|
| Core | 352 099 | 82.55% | 404 | 871 |
| Support | 74 429 | 17.45% | 119 | 625 |
| Total | 426 528 | 100% | 523 | 815 |

2.1.2 Personnel costs by occupational level

| Occupational Level | Personnel Expenditure (R'000) | Personnel exp. as a% of total personnel exp. | No. of employees | Average personnel cost per employee (R'000) |
|------------------------|-------------------------------|--|------------------|---|
| Top Management | 23 802 | 5.58% | 13 | 1 831 |
| Senior Management | 46 182 | 10.83% | 31 | 1 490 |
| Professional qualified | 170 176 | 39.90% | 147 | 1 158 |
| Skilled | 172 270 | 40.39% | 280 | 615 |
| Semi-skilled | 12 745 | 2.99% | 44 | 290 |
| Unskilled | 1 353 | 0.32% | 8 | 169 |
| Total | 426 528 | 100% | 523 | 815 |

* The financial year 2019/2020 annual Personnel expenditure is R426 528 000 as compared to R392 368 000 in the previous financial year. The personal expenditure amount differs with the total employee relates costs on the statement of financial performance because these are transactions that are processed through the payroll system. These include provision for leave and performance bonuses.

2.2 Employment and Vacancies

2.2.1 Employment and vacancies by Programme as at 31 March 2020

| Programme | 2019/2020 Approved Posts | No. of Employees 2019/2020 | 2019/2020 Vacancies | % of vacancies |
|--------------|--------------------------|----------------------------|---------------------|----------------|
| Core | 525 | 397 | 128 | 24% |
| Support | 148 | 119 | 29 | 20% |
| Total | 673 | 516 | 157 | 23% |

Note: The number of approved posts is as per the MTEF

2.2.2 Employment and vacancies by occupational levels as at 31 March 2020

| Salary band | 2019/2020 Approved Posts | No. of Employees 2019/2020 | 2019/2020 Vacancies | % of vacancies |
|------------------------|--------------------------|----------------------------|---------------------|----------------|
| Top Management | 22 | 13 | 9 | 41% |
| Senior Management | 61 | 30 | 31 | 51% |
| Professional qualified | 189 | 145 | 44 | 23% |
| Skilled | 341 | 276 | 65 | 19% |
| Semi-skilled | 49 | 44 | 5 | 10% |
| Unskilled | 11 | 8 | 3 | 27% |
| Total | 673 | 516 | 157 | 23% |

2.3 Employment Changes

2.3.1 Annual turnover rates by occupational level - As at 31 March 2020

| Salary band | Employment at beginning of period | Internal Staff Movements | Appointments | Terminations | Employment at end of the period |
|------------------------|-----------------------------------|--------------------------|--------------|--------------|---------------------------------|
| Top Management | 12 | 1 | 1 | 1 | 13 |
| Senior Management | 25 | 7 | 1 | 3 | 30 |
| Professional qualified | 167 | -19 | 3 | 6 | 145 |
| Skilled | 189 | 93 | 6 | 12 | 276 |
| Semi-skilled | 124 | -80 | 0 | 0 | 44 |
| Unskilled | 10 | -2 | 0 | 0 | 8 |
| Total | 527 | | 11 | 22 | 516 |

Note: The number of employees according to the previous annual (2018/19) report was 532, and has changed to 531 due to the fact that one of the employees was not terminated on the last day 31 March 2019 and not accounted for, thus reduced to 531. In addition, another 4 Employees on the Disability structure have been removed from the totals to reflect active levels only.

Due to Siyakha restructuring project being implemented on 1 April 2019, there has been internal staff movements, i.e "staff placements". A total of 101 employees were placed on different levels.

See column " Internal staff movements."

2.3.2 Reasons for staff leaving

| Reason | Number | % of total no. of internal staff leaving |
|--------------------|-----------|--|
| Death | 3 | 13.6% |
| Resignation | 10 | 45.5% |
| Dismissal | 2 | 9.1% |
| Retirement | 5 | 22.7% |
| Ill health | 0 | 0% |
| Expiry of contract | 2 | 9.1% |
| Retrenched | 0 | 0% |
| Total | 22 | 100% |

2.4. Employment Equity

2.4.1 Total number of employees (including employees with disabilities) in each of the following occupational levels as at 31 March 2020

| Levels | Males | | | | | | | | | |
|------------------------|------------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|------------|---------------|
| | African | | Coloured | | Indian | | White | | Total | |
| | Current | As % of Total | Current | As % of Total | Current | As % of Total | Current | As % of Total | Current | As % of Total |
| Top Management | 6 | 2% | 1 | 0% | 1 | 0% | 1 | 0% | 9 | 3% |
| Senior Management | 9 | 3% | 1 | 0% | 1 | 0% | 9 | 3% | 20 | 8% |
| Professional qualified | 42 | 13% | 13 | 5% | 15 | 6% | 33 | 13% | 103 | 39% |
| Skilled | 101 | 38% | 8 | 3% | 8 | 3% | 8 | 3% | 125 | 47% |
| Semi-skilled | 7 | 3% | 0 | 0% | 0 | 0% | 0 | 0% | 7 | 3% |
| Unskilled | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Total | 165 | 63% | 23 | 9% | 25 | 9% | 51 | 19% | 264 | 100% |

2.4. Employment Equity (continued)

| Levels | Females | | | | | | | | | |
|------------------------|------------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|------------|---------------|
| | African | | | Coloured | | | Indian | | White | |
| | Current | As % of Total | Current | As % of Total | Current | As % of Total | Current | As % of Total | Current | As % of Total |
| Top Management | 4 | 2% | 0 | 0% | 0 | 0% | 0 | 0% | 4 | 2% |
| Senior Management | 4 | 2% | 0 | 0% | 2 | 1% | 4 | 2% | 10 | 4% |
| Professional qualified | 16 | 6% | 2 | 1% | 4 | 2% | 20 | 8% | 42 | 17% |
| Skilled | 96 | 38% | 7 | 3% | 17 | 7% | 31 | 12% | 151 | 60% |
| Semi-skilled | 30 | 12% | 1 | 0% | 2 | 1% | 4 | 2% | 37 | 15% |
| Unskilled | 8 | 3% | 0 | 0% | 0 | 0% | 0 | 0% | 8 | 3% |
| Total | 158 | 63% | 10 | 4% | 25 | 10% | 59 | 23% | 252 | 100% |

2.5 Performance Rewards

2.5.1 Performance Rewards by occupational level

| Salary Band | Performance rewards (R'000) | Personnel Expenditure (R'000) | % of performance rewards to total personnel cost (R'000) |
|------------------------|-----------------------------|-------------------------------|--|
| Top Management | 1 298 | 23 802 | 5.45% |
| Senior Management | 4 363 | 46 182 | 9.45% |
| Professional qualified | 18 614 | 170 176 | 10.94% |
| Skilled | 14 085 | 172 270 | 8.18% |
| Semi-skilled | 1 639 | 12 745 | 12.86% |
| Unskilled | 182 | 1 353 | 13.43% |
| Total | 40 181 | 426 528 | 9.42% |

* In the financial year 2019/20 we have spent R40m as compared to R34m which was an 11% increase

2.6 Labour Relations

2.6.1 Misconduct and disciplinary hearings finalised

| Nature of disciplinary Action: 2019/20 | Number |
|--|----------|
| Verbal Warning | 0 |
| Written Warning | 0 |
| Final Written warning | 1 |
| Dismissal | 2 |
| Total | 3 |

| Outcomes of disciplinary hearings: 2019/20 | Number | % of total |
|--|--------|------------|
| Verbal warning | 0 | 0% |
| Written warning | 0 | 0% |
| Final written warning | 1 | 17% |
| Dismissal | 2 | 33% |

| Outcomes of disciplinary hearings: 2019/20 | Number | % of total |
|--|----------|-------------|
| Retrenchment | 0 | 0% |
| Not guilty | 2 | 33% |
| Case withdrawn | 1 | 17% |
| Total | 6 | 100% |

2.6.2 Types of misconduct addressed at disciplinary hearings

| Type of misconduct: 2019/20 | Number | % of total |
|--|----------|------------|
| Dishonesty and unauthorised absence from workplace while on duty | 0 | 0% |
| Absence from work without approval by line manager | 0 | 0% |
| Total | 0 | 0% |

2.6.3 Grievances lodged

| Grievances: 2019/20 | Number | % of total |
|--|----------|-------------|
| Number of grievances resolved | 3 | 33% |
| Number of grievances not resolved | 6 | 67% |
| Total number of grievances lodged | 9 | 100% |

2.6.4 Disputes lodged with CCMA

| Grievances: 2019/20 | Number | % of total |
|---|-----------|-------------|
| Total number of disputes lodged that are ongoing | 12 | 100% |

| Grievances: 2019/20 | Number | % of total |
|------------------------------|--------|------------|
| Number of disputes upheld | 1 | 8% |
| Number of disputes dismissed | 4 | 33% |

2.7 Skills development

2.7.1 Training Costs

| Occupational level | Personnel Expenditure | Training Expenditure (R'000) | Training Expenditure as a % of Personnel Cost. | No. of employees trained | Average training cost per employee |
|------------------------|-----------------------|------------------------------|--|--------------------------|------------------------------------|
| Top Management | 23 802 | R 154 | 0.65% | 7 | R 22 |
| Senior Management | 46 182 | R 166 | 0.36% | 17 | R 10 |
| Professional qualified | 170 176 | R 54 | 0.03% | 38 | R 1 |
| Skilled | 172 270 | R 577 | 0.33% | 137 | R 4 |
| Semi-skilled | 12 745 | R 239 | 1.88% | 25 | R 10 |
| Unskilled | 1 353 | R 0 | 0% | 0 | R 0 |
| Total | 426 528 | R 1 190 | 0.28% | 224 | R 5 |

2.7.2 Training needs identified for the period

| Occupational level | Gender | Number of employees as at 1 April 2019 | Training needs identified at start of the reporting period | | | |
|------------------------|--------|--|--|---------------------|-------------------------|------------|
| | | | Skills Programmes | Other short courses | Other forms of training | Total |
| Top Management | Female | 5 | 0 | 2 | 1 | 3 |
| | Male | 7 | 0 | 2 | 1 | 3 |
| Senior Management | Female | 11 | 1 | 3 | 1 | 5 |
| | Male | 22 | 0 | 4 | 0 | 4 |
| Professional qualified | Female | 41 | 1 | 2 | 5 | 8 |
| | Male | 107 | 10 | 0 | 8 | 18 |
| Skilled | Female | 155 | 5 | 44 | 33 | 82 |
| | Male | 126 | 4 | 43 | 36 | 83 |
| Semi-skilled | Female | 38 | 16 | 0 | 17 | 33 |
| | Male | 7 | 4 | 0 | 2 | 6 |
| Unskilled | Female | 8 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Subtotal | Female | 258 | 23 | 51 | 57 | 131 |
| | Male | 269 | 18 | 49 | 47 | 114 |
| Total | | 527 | 41 | 100 | 104 | 245 |

2.7.3. Training provided for the period under review

| Occupational level | Gender | Number of employees as at 31 March 2020 | Training needs identified at start of the reporting period | | | |
|------------------------|--------|---|--|---------------------|-------------------------|------------|
| | | | Skills Programmes | Other short courses | Other forms of training | Total |
| Top Management | Female | 4 | 0 | 4 | 0 | 4 |
| | Male | 9 | 0 | 2 | 1 | 3 |
| Senior Management | Female | 10 | 0 | 8 | 1 | 9 |
| | Male | 20 | 0 | 8 | 1 | 8 |
| Professional qualified | Female | 42 | 0 | 12 | 0 | 12 |
| | Male | 103 | 0 | 24 | 0 | 26 |
| Skilled | Female | 151 | 40 | 15 | 2 | 70 |
| | Male | 125 | 19 | 26 | 15 | 67 |
| Semi-skilled | Female | 37 | 0 | 3 | 22 | 21 |
| | Male | 7 | 0 | 1 | 18 | 4 |
| Unskilled | Female | 8 | 0 | 0 | 3 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Subtotal | Female | 252 | 40 | 42 | 34 | 116 |
| | Male | 264 | 19 | 61 | 28 | 108 |
| Total | | 516 | 59 | 103 | 62 | 224 |

Additional training offered: Financial Intelligence Training Course offered by FIC, attended by 247

Forensic Investigators in seven (7) SIU provinces.-provinces.

Financial Intelligence Training Course offered by FIC giving effect to the MoU between the two entities to fight crime and corruption.

2.8 Injury on Duty: As at 31 March 2020

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|-------------|
| Required basic medical attention only | 4 | 100% |
| Temporary Total Disablement | 0 | 0% |
| Permanent Disablement | 0 | 0% |
| Fatal | 0 | 0% |
| Total | 4 | 100% |



PART E

FINANCIAL INFORMATION

ACRONYMS

1. Accounting Authority's Responsibilities and Approval
2. Report of the Auditor-General
3. Annual Financial Statements

ACRONYMS

| | |
|---------------------|--|
| COID | Compensation for Occupational Injuries and Diseases |
| AOD | Acknowledgement of Debt |
| CARA | Criminal Asset Recovery Account |
| DoJ & CD | Department of Justice and Constitutional Development |
| DPW | Department of Public Works |
| GRAP | Generally Recognised Accounting Practice |
| IT | Information Technology |
| IAS | International Accounting Standards |
| MTEF | Medium Term Expenditure Framework |
| NPA | National Prosecuting Authority |
| IPSAS | International Public Sector Accounting Standards |
| PAA | Public Audit Act |
| PFMA | Public Finance Management Act |
| SARS | South African Revenue Services |
| UIF | Unemployment Insurance Fund |

1. Accounting Authority's Responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is 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 judgments and estimates.

The Accounting Authority acknowledges that it is 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 ending 31 March 2021 and, in the light of this review and the current financial position, he is satisfied that the entity has or 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 external auditors.

The external auditors are responsible for independently reviewing 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 87.

Given the explanations provided above, management is of the opinion that the financial statements fairly present the entity's financial position, financial performance and cashflow position.

The annual financial statements set out on pages 91 to 132, which have been prepared on the going concern basis, were approved by the Accounting Authority on 30 September 2020 and were signed on its behalf by:



Adv JL Mothibi
Accounting Authority
30 September 2020

2. Report of the Auditor-General

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Special Investigating Unit set out on pages 91 to 132 which comprises of the SIU's statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year as well as the notes to the financial statements, including the summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Special Investigating Unit as at 31 March 2020, and its financial performance and cash flows for the year then ended accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA, and for such the internal controls 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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity'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 appropriate governance structure either intends to liquidate the public 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

8. 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 the ISAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do 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.
12. 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 programme presented in the annual performance report of the public entity for the year ended 31 March 2020:

| Programme | Pages in the annual performance report |
|---|--|
| Programme 2- Investigations and Legal Counsel | Page 26 - 27 |

13. 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.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 2: Investigations and Legal Counsel

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 22 - 28 for information on the achievement of planned targets for the year and explanations provided for the under or over achievement of a number of targets.

Report on the audit of compliance with legislation Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the public entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other Information

19. The 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 and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
20. 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.
21. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
22. If based on the work I have performed, I conclude that there is material misstatement in this other information, I am required to report the fact. I have nothing to report in this regard.

Internal control deficiencies

23. 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 on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria
30 September 2020



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 programme and on the public 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 this 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;
- 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 concerns basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Special Investigating Unit 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 my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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, where applicable, actions taken to eliminate threats or safeguards applied.

Special Investigating Unit

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

| Figures in Rand | Note(s) | 2020 | 2019 |
|---|---------|--------------------|--------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 7 | 730,783,446 | 554,423,539 |
| Bank balance - recoveries | 10 | 41,173,626 | 36,386,648 |
| Receivables from exchange transactions | 6 | 92,772,717 | 65,811,681 |
| | | 864,729,789 | 656,621,868 |
| Non-Current Assets | | | |
| Property, plant and equipment Intangible assets | 3 | 48,461,899 | 39,827,496 |
| Intangibles Assets | 4 | 3,030,927 | 3,025,999 |
| | | 51,492,826 | 42,853,495 |
| Total Assets | | 916,222,615 | 699,475,363 |
| Liabilities | | | |
| Current Liabilities | | | |
| Payables - Recoveries | 10 | 41,173,626 | 36,386,648 |
| Payables from exchange transactions | 11 | 56,461,864 | 43,278,783 |
| Operating lease liability | 5 | 2,251,524 | 2,488,164 |
| Other financial liabilities | 8 | 560,238 | 502,888 |
| Provisions | 9 | 47,608,837 | 42,110,363 |
| | | 148,056,086 | 124,766,846 |
| Total Liabilities | | 148,056,089 | 124,766,846 |
| Net Assets | | 768,166,526 | 574,708,517 |
| Accumulated surplus | | 768,166,526 | 574,708,517 |

Special Investigating Unit

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

| Figures in Rand | Note(s) | 2020 | 2019 |
|---|-----------|----------------------|----------------------|
| Revenue | | | |
| Revenue from exchange transactions | | | |
| Rendering of services | 12 | 283,435,749 | 255,366,403 |
| Interest received | 12 | 38,494,843 | 29,437,743 |
| Total revenue from exchange transactions | | 321,930,592 | 284,804,146 |
| Revenue from non-exchange transactions | | | |
| Transfer revenue | | | |
| Government grants | 12 | 363,023,000 | 357,099,000 |
| CARA funds | 14 | 5,854,071 | 178,164 |
| Rental of premises paid on behalf of the SIU | 12 | 5,566,276 | 6,016,385 |
| Total revenue from non-exchange transactions | | 374,443,347 | 363,293,549 |
| Total revenue | 12 | 696,373,939 | 648,097,695 |
| Expenditure | | | |
| Employee related costs | 15 | (431,500,249) | (399,606,035) |
| Depreciation and amortisation | 3&4 | (7,077,326) | (7,315,787) |
| Debt impairment | 16 | 82,709,701 | (89,541,548) |
| Operating lease expenses | 13 | (38,423,367) | (38,460,886) |
| Professional Services | 17 | (1,329,191) | (818,672) |
| Loss on disposal of assets | 18 | (39,291) | (190,167) |
| General Expenses | 19 | (107,256,207) | (83,951,428) |
| Total expenditure | | (502,915,930) | (619,884,523) |
| Surplus for the year | | 193,458,009 | 28,213,172 |

Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|--------------------------|---------------------|------------------|
| Balance at 01 April 2018 | 546,495,345 | 546,495,345 |
| Changes in net assets | | |
| Surplus for the year | 28,213,172 | 28,213,172 |
| Total changes | 28,213,172 | 28,213,172 |
| Balance at 01 April 2019 | 574,708,517 | 574,708,517 |
| Changes in net assets | | |
| Surplus for the year | 193,458,009 | 193,458,009 |
| Total changes | 193,458,009 | 193,458,009 |
| Balance at 31 March 2020 | 768,166,526 | 768,166,526 |

Special Investigating Unit

Annual Financial Statements for the year ended 31 March 2020

Cash Flow Statement

| Figures in Rand | Notes | 2020 | 2019 |
|---|-----------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Rendering of services | | 345,575,107 | 160,070,477 |
| Government grants | | 363,023,000 | 357,099,000 |
| Interest received | | 38,494,843 | 29,437,743 |
| | | 747,092,950 | 546,607,220 |
| Payments | | | |
| Employee related costs | | (426,001,553) | (390,847,987) |
| Service providers | | (127,146,625) | (109,424,097) |
| | | (553,148,178) | (500,272,084) |
| Net cash flows from operating activities | 21 | 193,944,772 | 46,335,136 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 3 | (17,519,124) | (6,362,926) |
| Proceeds from sales of assets/ insurance claims | 3 | 129,942 | 913,980 |
| Purchase of other intangible assets | 4 | (195,683) | (450,441) |
| Net cash flows from investing activities | | (17,584,865) | (5,899,387) |
| Net increase in cash and cash equivalents | | 176,359,907 | 40,435,749 |
| Cash and cash equivalents at the beginning of the year | | 554,423,539 | 513,987,790 |
| Cash and cash equivalents at the end of the year | 7 | 730,783,446 | 554,423,539 |

Special Investigating Unit

Annual Financial Statements for the year ended 31 March 2020

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

| Figures in Rand | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|-----------------|-----------------|-------------|--------------|------------------------------------|--|-----------|
|-----------------|-----------------|-------------|--------------|------------------------------------|--|-----------|

Statement of Financial Performance

Revenue

Revenue from exchange transactions

| | | | | | | |
|---|--------------------|---------------------|--------------------|--------------------|------------------|------|
| Rendering of services | 319,979,000 | (34,305,000) | 285,674,000 | 283,435,749 | (2,238,251) | 30.1 |
| Interest received | 28,832,000 | - | 28,832,000 | 38,494,843 | 9,662,843 | |
| Total revenue from exchange transactions | 348,811,000 | (34,305,000) | 314,506,000 | 321,930,592 | 7,424,592 | |

Revenue from non-exchange transactions

| | | | | | | |
|---|--------------------|---------------------|--------------------|--------------------|-------------------|------|
| Transfer revenue | | | | | | 30.2 |
| Government grants & subsidies | 363,023,000 | - | 363,023,000 | 363,023,000 | - | |
| CARA funds | - | - | - | 5,854,071 | 5,854,071 | |
| Rental of premises paid on behalf of the SIU | 6,265,000 | - | 6,265,000 | 5,566,276 | (698,724) | |
| Total revenue from non-exchange transactions | 369,288,000 | - | 369,288,000 | 374,443,347 | 5,155,347 | |
| Total revenue | 718,099,000 | (34,305,000) | 683,794,000 | 696,373,939 | 12,579,939 | |

Expenditure

| | | | | | | |
|---|----------------------|-------------------|----------------------|--------------------|--------------------|------|
| Employee related costs | (565,910,111) | 87,572,310 | (478,337,801) | (431,500,249) | 46,837,552 | 30.3 |
| Depreciation and amortisation | (17,000,000) | - | (17,000,000) | (7,077,326) | 9,922,674 | |
| Debt impairment | (30,341,770) | - | (30,341,770) | 82,709,701 | 113,051,471 | 30.4 |
| Lease rentals on operating lease | (37,651,714) | - | (37,651,714) | (38,423,367) | (771,653) | |
| Professional services | (1,468,816) | - | (1,468,816) | (1,329,191) | 139,625 | |
| General Expenses | (65,726,589) | (53,267,310) | (118,993,899) | (107,256,207) | 11,737,692 | 30.5 |
| Total expenditure | (718,099,000) | 34,305,000 | (683,794,000) | 502,876,639 | 180,917,361 | |
| Operating surplus | - | - | - | 193,497,300 | 193,497,300 | |
| Loss on disposal of assets and liabilities | - | - | - | (39,291) | (39,291) | |
| Surplus | - | - | - | 193,458,009 | 193,458,009 | |
| Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement | - | - | - | 193,458,009 | 193,458,009 | |

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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, 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 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 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:

Trade receivables

The entity assesses its trade 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 financial asset. The impairment for receivables is calculated on an individual debtor 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.

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 9 - Provisions.

Contingent liabilities

Contingent liabilities are recognised in the notes to the financial statements when there is a possible obligation that arises from a past event and whose existence will be confirmed at the occurrence or non-occurrence of one or more uncertain future events beyond the control of the entity or where there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or where there is a liability that cannot be recognised because it cannot be measured reliably.

Accounting Policies

Useful lives of property, plant, 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 norm and on the pattern in which an asset's future economic benefit to service potential is expected to be consumed by the entity. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives and decrease depreciation charge where useful lives are more than previously estimated useful lives.

Effective interest rate

The entity uses the prime interest rate to discount future cash flows if applicable.

Allowance for doubtful debts

On debtors 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 debtors carrying amount and the expected amount to be received in future. The future present value of estimated future cash flows is not calculated, as the potential timeframes of receiving future payments are unknown and can vary materially, based on past experience.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure 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.

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 of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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 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.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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.

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 depreciation charge for each period is recognised in surplus or deficit.

Accounting Policies

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 | 08 years |
| Office equipment | Straight line | 15 years |
| IT equipment | Straight line | 10 years |
| Leasehold improvements | Straight line | Over period of the property lease |

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

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 in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors.

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 3).

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an 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.

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.

Accounting Policies

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.

Intangibles assets are initially measured at cost.

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.

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.

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

| Item | Depreciation method | Average useful life |
|-------------------|---------------------|---------------------|
| Computer software | Straight line | 25 years |

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 intangible assets is included in or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 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.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Accounting Policies

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities.

A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

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Accounting Policies

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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 |
|--|--|
| Cash and cash equivalents | Financial asset measured at amortised cost |
| Receivables from exchange transactions | 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 transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

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.

Accounting Policies

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.

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 expected future cash flows. The impairment is measured as the difference between the debtors carrying amount and the expected amount to be received in future. The future present value of estimated future cash flows is not calculated, as the potential timeframes of receiving future payments are unknown and can vary materially, based on past experience. The carrying amount of the asset is reduced directly or 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 directly or 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.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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 :
 - derecognise the asset; and
 - recognise 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.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the

Accounting Policies

servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

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, expires 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).

1.8 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 service to the entity during a reporting period, the entity recognise 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 entity 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 recognise 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 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

Accounting Policies

Defined contribution plans are post-employment benefit plans under which an entity 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 service to the entity during a reporting period, the entity recognise 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, an entity recognise 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.

1.9 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 surplus (deficit).

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

1.10 Commitments

Items are classified as commitments when an 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 should be 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.

Accounting Policies

1.11 Revenue from exchange transactions

Measurement

Rendering of services

In terms of section 5(b) of the SIU Act, Act 74 of 1996 as amended, the SIU may recover fees from State Institutions for investigation services rendered. The fees that are charged by the SIU is based on a recovery model, where the number of hours spent are charged at certain rates for the different resources that are charged with a specific investigation.

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 effort spent multiplied with the hourly rates 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 number of hours spent multiplied by the rates per resource.

1.12 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an 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.

The SIU derives major a portion of its revenue from the following sources:

Government grant

The SIU receives an annual grant from the central fiscus, that is governed by National Treasury's budgeting cycles and is allocated as part of the grants to the SIU's Executive Authority, the Department of Justice and Constitutional Development.

CARA Income

In terms of section 68 of the Prevention of Organised Crime Act, 1998 (Act No 121 of 1998), (POCA), Cabinet may approve, based on recommendations by the Criminal Asset Recovery Committee (CARC), amounts for use by law enforcement agencies in the fight against crime. The SIU is allowed to apply for funding for specific projects as a law enforcement agency. The overall administration of the Criminal Asset Recovery Assets (CARA) is handled by the Department of Justice and Constitutional Development.

Other income

The SIU occupies certain office buildings that are managed under the Department of Public Works. The SIU does not pay for this accommodation and is therefore treated as "revenue in kind".

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 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

Accounting Policies

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

The entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise 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 disclose the nature and type of services in-kind received during the reporting period.

1.13 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.14 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

Accounting Policies

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

The SIU has a principal / agent relationship with several state institutions. Refer to Note 15 for the relevant details.

1.15 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.16 Fruitless and wasteful expenditure

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

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 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 incurred, unless it is impractical to determine, in which case reasons thereof are provided in the notes.

Irregular expenditure receivables are measured at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of the irregular expenditure notes when is either

- (a) condoned by the relevant authority if no official was found to be liable in law;
- (b) recovered from an official liable in law;
- (c) written-off if it is irrecoverable from an official liable in law;
- (d) written-off if it is not condoned and not recoverable.

1.18 Segment information

The SIU manages the operations as a combined operations with the Head of the Unit making key financial and operational decisions based on the combined operations of the SIU that includes National, Provincial and Local Government proclamations and related investigations. Resources allocation, assets and liabilities are also managed on a combined basis and as such the organisation has a single reporting entity. Although the SIU has 9 geographically spread offices based in 8 of the 9 provinces, the resources in those offices work on all three spheres of state institution investigations. There are no distinct economic benefits attached to the respective regional offices, with investigations and civil legal proceedings undertaken in all different parts of the country.

1.19 Budget information

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

The approved budget covers the fiscal period from 01/04/2019 to 31/03/2020.

The budget for the economic entity includes all the entities approved budgets under its control.

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.

Accounting Policies

1.20 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.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.21 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 will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose 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.

1.22 Leases

A lease is classified as 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 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.

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 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 entity has adopted the standard for the first time when the Minister sets the effective date for the 1st of April 2019 standard.

The impact of the standard is not material.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods:

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

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

The entity expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment.

Guideline: Guideline on the Application of Materiality to Financial Statements

The objective of this guideline: The objective of this Guideline is to provide guidance that will assist entities to apply the concept of materiality when preparing financial statements in accordance with Standards of GRAP. The Guideline aims to assist entities in achieving the overall financial reporting objective. The Guideline outlines a process that may be considered by entities when applying materiality to the preparation of financial statements. The process was developed based on concepts outlined in Discussion Paper 9 on Materiality – Reducing Complexity and Improving Reporting, while also clarifying existing principles from the Conceptual Framework for General Purpose Financial Reporting and other relevant Standards of GRAP. The Guideline includes examples and case studies to illustrate how an entity may apply the principles in the Guideline, based on specific facts presented.

Notes to the Annual Financial Statements

It covers: Definition and characteristics of materiality, Role of materiality in the financial statements, Identifying the users of financial statements and their information needs, Assessing whether information is material, Applying materiality in preparing the financial statements, and Appendixes with References to the Conceptual Framework for General Purpose Financial Reporting and the Standards of GRAP & References to pronouncements used in the Guideline.

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

The entity expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline.

GRAP 1 (amended): Presentation of Financial Statements

Amendments to this Standard of GRAP, are primarily drawn from the IASB's Amendments to IAS 1.

Summary of amendments are:

Materiality and aggregation

The amendments clarify that:

- information should not be obscured by aggregating or by providing immaterial information;
- materiality considerations apply to all parts of the financial statements; and
- even when a Standard of GRAP requires a specific disclosure, materiality considerations apply.

Statement of financial position and statement of financial performance

The amendments clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

Notes structure

The amendments add examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order listed in GRAP 1.

Disclosure of accounting policies

Remove guidance and examples with regards to the identification of significant accounting policies that were perceived as being potentially unhelpful.

An entity applies judgement based on past experience and current facts and circumstances.

The effective date of this amendment is for years beginning on or after 01 April 2020.

The entity expects to adopt the interpretation for the first time in the 2020/2021 annual financial statements.

IGRAP 1 (revised): Applying the Probability Test on Initial Recognition of Revenue

The amendments to this Interpretation of the Standard of GRAP clarifies that the entity should also consider other factors in assessing the probability of future economic benefits or service potential to the entity. Entities are also uncertain of the extent to which factors, other than the uncertainty about the collectability of revenue, should be considered when determining the probability of the inflow of future economic benefits or service potential on initial recognition of revenue. For example, in providing certain goods or services, or when charging non-exchange revenue, the amount of revenue charged may be reduced or otherwise modified under certain circumstances. These circumstances include, for example, where the entity grants early settlement discounts, rebates or similar reductions based on the satisfaction of certain criteria, or as a result of adjustments to revenue already recognised following the outcome of any review, appeal or objection process.

The consensus is that on initial recognition of revenue, an entity considers the revenue it is entitled to, following its obligation to collect all revenue due to it in terms of legislation or similar means. In addition, an entity considers other factors that will impact the probable inflow of future economic benefits or service potential, based on past experience and current facts and circumstances that exist on initial recognition.

An entity applies judgement based on past experience and current facts and circumstances.

Notes to the Annual Financial Statements

The effective date of the amendment is for years beginning on or after 01 April 2020.

The entity expects to adopt the interpretation for the first time in the 2020/2021 annual financial statements.

Notes to the Annual Financial Statements

3. Property, plant and equipment

| | 2020 | | | 2019 | | |
|------------------------|---------------------|---|-------------------|---------------------|---|-------------------|
| | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated depreciation and accumulated impairment | Carrying value |
| Leasehold property | 9,063,493 | (5,918,507) | 3,144,986 | 7,151,069 | (5,438,786) | 1,712,283 |
| Furniture and fixtures | 2,631,235 | (1,120,283) | 1,510,952 | 2,517,244 | (993,355) | 1,523,889 |
| Motor vehicles | 22,102,351 | (7,557,737) | 14,544,614 | 22,102,351 | (5,591,549) | 16,510,802 |
| Office equipment | 9,298,536 | (4,825,797) | 4,472,739 | 9,239,794 | (4,360,886) | 4,878,908 |
| IT equipment | 52,868,321 | (28,079,713) | 24,788,608 | 39,618,765 | (24,417,151) | 15,201,614 |
| Total | 95,963,936 | (47,502,037) | 48,461,899 | 80,629,223 | (40,801,727) | 39,827,496 |

Reconciliation of property, plant and equipment - 2020

| | Opening balance | Additions | Disposals | Depreciation | Total |
|------------------------|--------------------|-------------------|------------------|--------------------|-------------------|
| Leasehold property | 1,712,283 | 1,912,424 | - | (479,721) | 3,144,986 |
| Furniture and fixtures | 1,523,889 | 138,352 | (23,640) | (127,649) | 1,510,952 |
| Motor vehicles | 16,510,802 | - | - | (1,966,188) | 14,544,614 |
| Office equipment | 4,878,908 | 182,709 | (36,382) | (552,496) | 4,472,739 |
| IT equipment | 15,201,614 | 13,456,725 | (109,213) | (3,760,518) | 24,788,608 |
| Total | 39,827,496 | 15,690,210 | (169,235) | (6,886,572) | 48,461,899 |

Reconciliation of property, plant and equipment - 2019

| | Opening balance | Additions * (Restatement) | Disposals * (Restatement) | Depreciation | Total |
|------------------------|--------------------|------------------------------|------------------------------|--------------------|-------------------|
| Leasehold property | 1,622,681 | 668,017 | (87,598) | (490,817) | 1,712,283 |
| Furniture and fixtures | 1,529,330 | 135,843 | (14,822) | (126,462) | 1,523,889 |
| Motor vehicles | 15,472,698 | 3,305,417 | (342,008) | (1,925,305) | 16,510,802 |
| Office equipment | 4,480,148 | 1,204,867 | (188,158) | (617,949) | 4,878,908 |
| IT equipment | 19,430,052 | 265,438 | (504,070) | (3,989,806) | 15,201,614 |
| Total | 42,534,909 | 5,579,582 | (1,136,656) | (7,150,339) | 39,827,496 |

Special Investigating Unit

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Restatements

* Restatement of previous years figures

In terms of the SIU's asset management policy, all assets with a value of less than R 5,000 are immediately expensed to the Statement of Financial Performance. During the previous financial year, these assets were capitalised and included in the acquisition of assets on the property, plant and equipment movements and immediately disposed and included in disposal movements. The previous years movements of assets less than R 5,000 to the total value of R 783,344 have now been excluded from these movements and the amounts restated. The net effect on property, plant and equipment is zero. There is no effect on the face of the annual financial statements. Management believes that it is the most appropriate way to disclose the amounts in this manner and will be more useful to the users of the annual financial statements.

Effects of restatement on the 2018/2019 financial year

Additions

| | |
|--------------------------------------|-------------------|
| Total additions as previously stated | R6,362,926 |
| Adjustment | (R783,344) |
| Adjusted amount | R5,579,582 |

Disposals

| | |
|--------------------------------------|---------------------|
| Total disposals as previously stated | (R1,920,000) |
| Adjustment | R783,344 |
| Adjusted disposal amount | (R1,136,656) |

None of the assets above are pledged as security.

Repairs and maintenance

| | | |
|-------------------------|-----------|---------|
| Repairs and Maintenance | 1,345,709 | 718,871 |
| Expenditure incurred | | |

Notes to the Annual Financial Statements

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|-----------------|------|------|
|-----------------|------|------|

4. Intangible assets

| | 2020 | | | 2019 | | |
|-------------------|---------------------|---|-------------------|---------------------|---|-------------------|
| | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value | Cost / Valuation | Accumulated amortisation and accumulated impairment | Carrying value |
| Computer software | 5,491,458 | (2,460,531) | 3,030,927 | 5,295,776 | (2,269,777) | 3,025,999 |

Reconciliation of intangible assets-2020

| | Opening balance | Additions | Amortisation | Total |
|-------------------|--------------------|-----------|--------------|-----------|
| Computer software | 3,025,999 | 195,682 | (190,754) | 3,030,927 |

Reconciliation of intangible assets - 2019

| | Opening balance | Additions | Amortisation | Total |
|-------------------|--------------------|-----------|--------------|-----------|
| Computer software | 2,741,007 | 450,441 | (165,449) | 3,025,999 |

5. Operating lease liability

| | | |
|-----------------|-------------|-------------|
| Operating lease | (2,251,524) | (2,488,164) |
|-----------------|-------------|-------------|

This balance represents the difference between the contractual amounts payable over the lease period and the straight lined amounts as per the requirements of GRAP 13.

6. Receivables from exchange transactions

| | | |
|--------------------|------------|------------|
| Trade debtors | 74,688,260 | 63,921,888 |
| Deposits | 70,733 | 70,733 |
| Prepaid expenses | 1,265,438 | 1,493,113 |
| Staff study loans | 96,935 | 149,577 |
| Other staff debt * | 651,351 | 176,370 |
| Other debtors** | 16,000,000 | - |
| | 92,772,717 | 65,811,681 |

Notes on trade and other receivables

*Other staff debtors relate to debt owed by former and current SIU employees that arose out of leave transactions not being fully processed at time of end of service as well as other payroll related matters.

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Annual Financial Statements for the year ended 31 March 2020

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The substantial increase in other debtors are as a result of an amount of R16 million allocated by Cabinet through DoJ & CD to the SIU to support Corruption fighting and other forms of Economic Crimes as part of the Anti Corruption Task Team (ACTT) and activities relating to the SIU Special Tribunal. As at 31 March 2020, the amount had not yet been transferred to the SIU, but in terms of GRAP the SIU has recorded the full amount in its annual financial statements as a debt owing. The corresponding entry is disclosed as income received in advance (Refer to Note 11**).

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 not considered to be impaired. At 31 March 2020, R55,784,435 - (2019: R 32,352,439) were past due but not impaired.

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

| | | |
|-------------------|------------|------------|
| 3 months past due | 55,784,435 | 32,352,439 |
|-------------------|------------|------------|

Trade and other receivables impaired

As of 31 March 2020, trade and receivables of R 421,418,827- (2019: R 493,362,155) were impaired and provided for. The amount of the provision is R 346,730,567 as of 31 March 2020 (2019: R 429,440,268).

Reconciliation of provision for impairment of trade and other receivables

| | | |
|--------------------------|--------------------|--------------------|
| Opening balance | 429,440,268 | 339,898,720 |
| Provision for impairment | - | 89,541,548 |
| Unused amounts reversed | (82,709,701) | - |
| | 346,730,567 | 429,440,268 |

7. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---------------|--------------------|--------------------|
| Cash on hand | 69,000 | 64,000 |
| Bank balances | 730,714,446 | 554,359,539 |
| | 730,783,446 | 554,423,539 |

Included in the above bank balance of R 730,714,446 (2019: R554,423,539) is an employee saving scheme of R 559,438 (2019: R 502,888). 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 08** for further details.

In terms of section 53(3) of the PFMA, the SIU as a public 3A entity may not accumulate a surplus without prior written approval of National Treasury being obtained. In order to give guidance to public entities and to operationalise this section of the PFMA, National Treasury had issued Instruction note no. 6 of 2017/18 on 25 May 2017, that indicates that a public entity must declare all surpluses to the relevant treasury from 31 May to 30 September in each year, after the financial year end. The SIU will submit a draft declaration and request to retain all of its surpluses to National Treasury on 31 July 2020, with the final submission to be made in October 2020 once the Annual Financial Statements have been audited and approved finally by the end of September 2020.

Notes to the Annual Financial Statements

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|-----------------|------|------|

8. Other financial liabilities

At amortised cost

Employee savings scheme

The balance represent employee savings scheme.
Refer to note 7 for more details.

| | | |
|--|---------|---------|
| | 560,238 | 502,888 |
|--|---------|---------|

Current liabilities

At amortised cost

| | | |
|--|---------|---------|
| | 560,238 | 502,888 |
|--|---------|---------|

9. Provisions

| Reconciliation of provisions - 2020 | Opening Balance | Additions | Utilised during the year | Total |
|-------------------------------------|-----------------|------------|--------------------------|------------|
| Performance bonuses | 42,110,363 | 45,678,112 | (40,179,638) | 47,608,837 |

| Reconciliation of provisions - 2019 | Opening Balance | Additions | Utilised during the year | Total |
|-------------------------------------|-----------------|------------|--------------------------|------------|
| Performance bonuses | 33,352,314 | 42,110,363 | (33,352,314) | 42,110,363 |

In terms of the SIU's current performance appraisal policy, all employees are assessed once a year based on their work output. Based on the outcome of the prescribed performance assessment process, employees are entitled to a permanent performance related increase in salary with effect from a certain date, which is usually 1 April. In instances where the specified salary increase will increase the employee's salary beyond the top of his/her salary band or where the employee is already at the top or above the top of his/her salary band, his/ her salary will not be increased beyond the top of the salary band. An amount in cash will be paid instead of any increase not granted. This amount will be equal to twice the annual value of the salary increase not granted in lieu of the fact that in the following year the employee will not receive a salary increase on top of the previous year's performance related increase.

The net effect of the above policy is that all employees that qualifies for a performance related increase in terms of the policy receives it either in the following 12 month period from increase date, or as a once off cash amount, which is then provided for at the end of the financial year as per the stated amounts above.

Notes to the Annual Financial Statements

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10. Bank balance - recoveries

Bank balance - recoveries / payables

| | Opening balance | Collections | Payments during the period | Net movement in interest & bank charges | Total |
|--|-----------------|-------------|----------------------------|---|------------|
| Movements - current financial year - 2019/20 | 36,386,648 | 6,935,760 | (4,068,992) | 1,920,210 | 41,173,626 |

Bank balance - recoveries / payables

| | Opening balance | Collections | Payments during the period * | Net movement in interest & bank charges* (Restatement) | Total |
|---|-----------------|-------------|------------------------------|--|------------|
| Movements - previous financial year - 2018/19 | 32,652,455 | 7,411,967 | (5,667,315) | 1,989,541 | 36,386,648 |

The SIU has several agreements with State institutions to recover funds from recipients who received financial assistance that they were not entitled to or committed acts of fraud / corruption 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 such entities at financial year end are disclosed as "Payable - Recoveries" on the face of the Statement of Financial Position.

* Restatement

The interest earned and bank charges paid on these Trust Accounts are paid to the DoJ & CD out of a dedicated Trust Account. During the previous financial year, the interest paid to the Department was disclosed in the Net Movement in interest & bank charges. This created a negative net movement on interest and bank charges. The interest paid has now been disclosed with "Payments during the period" which management believe reflects a more appropriate manner of the Trust Account movements and will be more useful to the users of the financial statements.

Effect of restatement of previous years movements

Payments during the period

Payments during the period as previously stated

Adjustment

Adjusted amount

Net Movement in interest & bank charges

Movement as previously stated

Adjustment

Adjusted amount

| |
|---------------------|
| (R2,098,711) |
| (R3,568,604) |
| (R5,667,315) |
| (R1,579,003) |
| R3,568,544 |
| R1,989,541 |

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Annual Financial Statements for the year ended 31 March 2020

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|-----------------|------|------|

11. Payables from exchange transactions

| | | |
|--|-------------------|-------------------|
| Trade payables | 20,554,236 | 19,176,077 |
| CARA & other funds received in advance * | 14,570,450 | 4,424,521 |
| Accrued leave pay | 21,337,178 | 19,678,185 |
| | 56,461,864 | 43,278,783 |

* The substantial increase in income received in advance is as a result of a R16 million amount allocated to the SIU to support Corruption fighting and other forms of Economic Crimes as part of the Anti Corruption Task Team (ACTT) and activities relating to the SIU Special Tribunal. **Refer to note 14** for more details. Of the R16 million allocated at 31 March 2020, a balance of R10,988,941 has not been utilised and is carried over to the next financial year.

12. Revenue

| | | |
|---|--------------------|--------------------|
| Rendering of services | 283,435,749 | 255,366,403 |
| Interest received | 38,494,843 | 29,437,743 |
| Government grants & subsidies | 363,023,000 | 357,099,000 |
| CARA funds * | 5,854,071 | 178,164 |
| Rental of premises paid on behalf of the SIU ** | 5,566,276 | 6,016,385 |
| | 696,373,939 | 648,097,695 |

The amount included in revenue arising from exchanges of goods or services are as follows:

| | | |
|-----------------------|--------------------|--------------------|
| Rendering of services | 283,435,749 | 255,366,403 |
| Interest received | 38,494,843 | 29,437,743 |
| | 321,930,592 | 284,804,146 |

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

| | | |
|--|--------------------|--------------------|
| Government grants & subsidies | 363,023,000 | 357,099,000 |
| CARA funds * | 5,854,071 | 178,164 |
| Rental of premises paid on behalf of the SIU** | 5,566,276 | 6,016,385 |
| | 374,443,347 | 363,293,549 |

*The increase in CARA funds is due to funds allocated by the DoJ & CD to support corruption fighting and other forms of Economic Crimes as part of the Anti Corruption Task Team (ACTT) and activities relating to the SIU Special Tribunal. (**Refer to note 14** for more details).

** The East London & Mthatha office leases are paid for by the Department of Public Works and is not refundable by the SIU.

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|-----------------|------|------|

13. Operating lease expenses

Premises

Straight line lease expenditure

Office equipment

Printing equipment

Other

Office plant rentals

| | | |
|--|-------------------|-------------------|
| | | |
| | 37,287,742 | 37,595,705 |
| | 1,067,981 | 781,202 |
| | 67,644 | 83,979 |
| | 38,423,367 | 38,460,886 |

14. CARA funds

Transfers received from Department of Justice

| | | |
|--|-----------|---------|
| | 5,854,071 | 178,164 |
|--|-----------|---------|

CARA funds allocated in the 2019/20 financial year:

In terms of section 68 of the Prevention of Organised Crime Act, 1998 (Act No 121 of 1998), (POCA), Cabinet approved on 3 December 2019, the recommendation of the Criminal Asset Recovery Committee (CARC), to allocate an amount of R16 million to the SIU, to support Corruption fighting and other forms of Economic Crimes as part of the Anti Corruption Task Team (ACTT) and activities relating to the SIU Special Tribunal. As at 31 March 2020, the amount had not yet been transferred to the SIU, but in terms of GRAP the SIU has recorded the full amount in its annual financial statements as a debt owing (**refer to note 6**).

The breakdown of the amount is as follows:

R11 million for sourcing professional staff, including counsel to lead evidence in relation to investigations finalised by the SIU. As at 31 March 2020, an amount of R 5,011,059 has already been expensed on these intended costs, and likewise this amount has been recognised as income (**refer note 12**), in line with the matching accounting principle. The remainder of the R11 million, an amount of R 10,988,941, is recognised as Income received in advance (**refer note 11**).

R5 million for activities that forms part of the National Anti-Corruption Strategy Action Plan, including the resuscitation of the National Anti-Corruption Forum. As at 31 March 2020, no expenses have yet been incurred on these activities, and the full amount is therefore recognised as Income received in advance (**refer note 11**).

CARA funds allocated in the 2018/19 financial year:

In terms of section 68 of the Prevention of Organised Crime Act, 1998 (Act No 121 of 1998), (POCA), Cabinet approved on 18 October 2017, the recommendation of the Criminal Asset Recovery Committee (CARC), to allocate an amount of R42 million to the SIU, to support the Anti Corruption Task Team (ACTT). Breakdown of the amount is as follows:

- i) R 23 million for communication Strategy activities by the Government Communication and Information Systems (GCIS) in line with the Anti-Corruption Strategy. The amount transferred to the SIU is R 20,450,000 with the full amount being transferred to GCIS. During the 2019/20 financial year, R 2 550 000.00 was transferred from Do J to SIU. This amount was transferred to GCIS. There is no outstanding amount due to GCIS from the SIU at the end of March 2020.
- ii) R5.8 million for ethics training of Government officials through the Department of Public Service and Administration (DPSA) and the School of Government. The amount transferred to the SIU is R 5,800,000. R 5,426,100 has been transferred by the SIU to DPSA. The remaining balance of R 373,900 due to the National School of Government was paid during the 2019/20 Financial Year. There is no outstanding amount due to the National School of Government from the SIU at the end of March 2020.
- iii) R8.2 million to develop a National Anti-Corruption Strategy for South Africa, including the activities of the National Anti-Corruption Forum (R3,75 million). The amount of R 3,750,000 for the National Anti-Corruption Forum is managed by the Public Service Commission (PSC). The total amount R 3,750,000 has been transferred to the SIU and further transferred to the PSC.

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14. CARA funds (continued)

The balance of R 4,450,000 is allocated to the Department of Planning, Monitoring and Evaluation for the National Anti-Corruption Strategy Development. The full amount of R 4,450,000 is managed by the SIU and has been transferred by the DoJ & CD in full. R 178,164 of this amount was used during the 2018/19 financial and has been recognised as income and expenditure in the Statement of Financial Performance. In the 2019/20 financial year, a further R 843,013.12 was recognised as income and expenditure in the Statement of Financial Performance in the 2019/20 Financial Year. The balance of R 3,428,823.72 is disclosed as "Income received in advance".

- iv) R5 million for the establishment of the Special Tribunal under the SIU Act. No amounts were transferred to the SIU as the responsibility of establishing the Special Tribunal is lying with the Department of Justice itself which means that they will manage the funds and expense it according to their needs.

15. Employee related costs

| | | |
|-------------------------------------|--------------------|--------------------|
| Basic salaries | 387,801,576 | 358,807,297 |
| Provident fund contributions | 37,186,036 | 34,153,507 |
| Leave pay provision charge | 1,645,147 | 2,844,704 |
| Travel related allowances and costs | 1,928,654 | 1,837,863 |
| UIF | 1,422,455 | 1,032,006 |
| Medical aid - company contributions | 133,481 | 126,378 |
| Acting allowances | 1,323,869 | 747,229 |
| Funeral benefits | 59,031 | 57,051 |
| | 431,500,249 | 399,606,035 |

Adv. JL Mothibi - Head of the Unit

| | | |
|---|------------------|------------------|
| Annual Remuneration | 2,236,418 | 2,161,937 |
| Performance Bonuses * | 327,535 | - |
| Contributions to UIF, Medical and Pension Funds | 332,732 | 316,379 |
| | 2,896,685 | 2,478,316 |

* The performance bonus paid out was in respect of the 2016/17 financial year

Adv. NC Mampuru - Deputy Head of the Unit

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1,875,089 | 1,768,652 |
| Performance Bonuses | 290,947 | 171,875 |
| Contributions to UIF, Medical and Pension Funds | 160,043 | 150,119 |
| | 2,326,079 | 2,090,646 |

Adv. GW Visagie - Head of Civil Litigation

| | | |
|---|----------|------------------|
| Annual Remuneration | - | 1,473,455 |
| Performance Bonuses | - | 279,603 |
| Contributions to UIF, Medical and Pension Funds | - | 295,132 |
| | - | 2,048,190 |

Adv. Visagie was part of the Executive Committee during the 2018/19 financial year, but for 2019/2020 the new Organisational structure was fully implemented with the Chief Legal Counsel now responsible overall for Civil Litigation. Adv. Visagie's remuneration has therefore not been disclosed for the 2019/2020 financial year.

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15. Employee related costs (continued)

Ms MK Nyathi - Head of Business Support

| | | |
|---|---|------------------|
| Annual Remuneration | - | 827,825 |
| Car Allowance | - | 10,570 |
| Performance Bonuses | - | 315,479 |
| Contributions to UIF, Medical and Pension Funds | - | 32,840 |
| | - | 1,186,714 |

Ms Nyathi's last working day was 31 May 2018.

Mr A Gernandt - Chief Financial Officer

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1,691,889 | 1,585,181 |
| Car Allowance | 24,000 | 10,000 |
| Performance Bonuses | 207,901 | 324,096 |
| Contributions to UIF, Medical and Pension Funds | 190,031 | 174,194 |
| | 2,113,821 | 2,093,471 |

Mr MT Mkhungo - Chief Risk Officer

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1,396,605 | 1,188,085 |
| Car Allowance | 94,584 | 94,584 |
| Performance Bonuses | 20,429 | 162,970 |
| Contributions to UIF, Medical and Pension Funds | 166,367 | 144,142 |
| | 1,677,985 | 1,589,781 |

Ms ME Lecheko - Head of Internal Integrity Unit

| | | |
|---|---|------------------|
| Annual Remuneration | - | 1,214,180 |
| Performance Bonuses | - | 63,974 |
| Contributions to UIF, Medical and Pension Funds | - | 138,452 |
| | - | 1,416,606 |

Ms Lecheko left the employ of the SIU on 18 April 2019.

Mr LG Lekgetho - National Chief Investigations Officer

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1,612,431 | 1,481,854 |
| Car Allowance | 14,688 | 14,688 |
| Performance Bonuses | 275,989 | 31,149 |
| Contributions to UIF, Medical and Pension Funds | 240,177 | 226,930 |
| | 2,143,285 | 1,754,621 |

Dr JO Wells - Chief Legal Counsel

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1,534,772 | 1,350,016 |
| Performance Bonuses | 43,560 | 215,647 |
| Contributions to UIF, Medical and Pension Funds | 313,418 | 269,017 |
| Other | - | 183,000 |
| | 1,891,750 | 2,017,680 |

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15. Employee related costs (continued)

Ms N Pandor - Head: Stakeholder Relations and Communications

| | | |
|---|----------------|------------------|
| Annual Remuneration | 713,932 | 1,286,420 |
| Performance Bonuses | 41,749 | 24,581 |
| Contributions to UIF, Medical and Pension Funds | 81,999 | 145,765 |
| | 837,680 | 1,456,766 |

Ms Pandor left the employ of the SIU 13 September 2019.

Mr ZL Mguli - Head: Strategy, Monitoring & Reporting

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1,242,345 | 1,128,246 |
| Performance Bonuses | 187,564 | 25,397 |
| Contributions to UIF, Medical and Pension Funds | 124,305 | 116,353 |
| | 1,554,214 | 1,269,996 |

Mr PR Maharaj - Chief Programme Portfolio Officer

| | | |
|---|------------------|------------------|
| Annual Remuneration | 1,511,063 | 1,309,336 |
| Performance Bonuses | 39,600 | 155,854 |
| Contributions to UIF, Medical and Pension Funds | 172,190 | 148,245 |
| | 1,722,853 | 1,613,435 |

Ms KT Zwane - Chief Information Officer

| | | |
|---|------------------|----------------|
| Annual Remuneration | 1,456,702 | 512,298 |
| Performance Bonuses | 13,763 | - |
| Contributions to UIF, Medical and Pension Funds | 164,036 | 63,289 |
| | 1,634,501 | 575,587 |

Ms BH Leshope - Chief Audit Executive

| | | |
|---|------------------|----------------|
| Annual Remuneration | 1,232,006 | 194,397 |
| Contributions to UIF, Medical and Pension Funds | 185,243 | 29,363 |
| | 1,417,249 | 223,760 |

Ms Leshope was appointed on 01 February 2019.

Ms MN Mashego - Chief Human Resources Officer

| | | |
|---|------------------|----------------|
| Annual Remuneration | 1,260,346 | 195,278 |
| Car Allowance | 90,000 | 15,000 |
| Contributions to UIF, Medical and Pension Funds | 149,368 | 23,680 |
| | 1,499,714 | 233,958 |

Ms Mashego was appointed on 01 February 2019.

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|-----------------|------|------|

15. Employee related costs (continued)

Adv Ms Muofhe - Chief Governance Officer

| | | |
|---|--------------|----------------|
| Annual Remuneration | 1,722 | 721,756 |
| Car Allowance | - | 128,485 |
| Contributions to UIF, Medical and Pension Funds | 2 | 77,706 |
| | 1,724 | 927,947 |

Adv. Muofhe was appointed on 18 July 2018 and resigned on 28 February 2019.

Mr MK Kganyago - Head: Communications & Stakeholder Relations

| | | |
|---|----------------|----------|
| Annual Remuneration | 520,343 | - |
| Contributions to UIF, Medical and Pension Funds | 102,708 | - |
| | 623,051 | - |

Mr Kganyago was appointed on 01 November 2019

16. Debt impairment

Impairments

| | | |
|-----------------------------|--------------|------------|
| Trade and other receivables | (82,709,701) | 89,541,548 |
|-----------------------------|--------------|------------|

SIU makes an assessment of debtors accounts on an on-going basis in line with the debtors management policy to determine whether there are any prospects of recovering such debts. Factors taken into account include payment history, engagement with Institutions being investigated, financial position of such institutions and any other factors that may assist management in determining whether the debts are recoverable or not. At the end of March 2019, an assessment the outstanding debtors book was done and provision for doubtful debts was made in line with the factors indicated above.

During the 2019/20 financial year, a substantial amount of the debts that were provided for on 31 March 2019 we settled. This as a result of extensive efforts put by the SIU in collecting outstanding debts. Several other stakeholders have been assisting the SIU with trying to get institutions being investigated to settle their accounts. These include Portfolio committee on Justice and National Treasury. Due to the substantial amounts being paid during the 2019/20 financial, provisions that were previously raised had to be reversed hence the negative provision in the annual financial statements. The total amount received that was previously provided for is R 140,432,056.

17. Professional fees

| | | |
|---------------------|-----------|---------|
| Internal audit fees | 1,329,191 | 818,672 |
|---------------------|-----------|---------|

The Internal Audit function is still mostly outsourced to private firms; these expenses represent the fees incurred for those firms.

18. Loss on disposal of assets

| | | |
|----------------------------|--------|---------|
| Loss on disposal of assets | 39,291 | 190,167 |
|----------------------------|--------|---------|

The amount consists of the net of proceeds from insurance payouts and assets disposed due to accidents, theft and being obsolete. Please refer to note 3 for relevant book values of the disposed assets.

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| 19. General expenses | | |
| Travel - local (1) | 34,484,319 | 27,026,718 |
| Consulting and professional fees (2) | 35,921,649 | 19,437,120 |
| Licences and subscriptions | 6,445,954 | 4,992,277 |
| Telephone and fax | 5,412,568 | 6,018,420 |
| Electricity | 5,250,036 | 4,506,781 |
| Auditors remuneration | 3,329,455 | 3,786,258 |
| Cleaning | 2,359,951 | 1,985,492 |
| Consumables (3) | 1,898,620 | 900,938 |
| Printing and stationery | 1,769,262 | 2,147,076 |
| Security costs | 1,351,017 | 1,724,662 |
| Repairs and maintenance | 1,345,709 | 718,871 |
| Insurance | 1,268,694 | 1,264,016 |
| Official functions and meetings (4) | 921,810 | 1,795,346 |
| Bursaries | 778,111 | 1,070,380 |
| Placement and screening fees (5) | 680,238 | 288,832 |
| Branded items | 650,388 | 513,184 |
| Office expenses | 496,950 | 786,246 |
| Travel - overseas | 473,887 | 567,645 |
| Staff welfare | 340,324 | 377,683 |
| Storage fees | 334,115 | 336,605 |
| Relocation costs (6) | - | 603,148 |
| Motor vehicles expenses | 330,211 | 276,499 |
| Bank charges | 274,251 | 251,062 |
| Training | 207,984 | 108,549 |
| Conferences and seminars | 195,070 | 351,185 |
| Membership fees and subscriptions | 170,555 | 594,809 |
| Delivery expenses | 167,518 | 162,072 |
| Magazines, books and periodicals | 148,482 | 19,075 |
| Data scanning, traces and deed searches | 93,697 | 464,509 |
| Postage and courier | 74,728 | 146,961 |
| Advertising (7) | 80,654 | 729,009 |
| | 107,256,207 | 83,951,428 |

(1) The growth in travel costs is due to a material increase in the number of proclamations and the related costs of travelling on projects.

(2) The high increase in professional fees is due to increase in legal fees paid to DoJ & CD to the value of R 11,4 million and additional payments of R5million paid to professionals working on SIU investigations. These increases are as

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|-----------------|------|------|

19. General expenses (continued)

- a result of the high number of matters that are going through legal processes and the increase in the number of proclamations during the year under review. During the previous financial year, a number of professionals were appointed through a tender process to be on a panel that the SIU appoints on a competitive basis to assist with professional services that SIU may require from time to time.
- (3) The SIU expenses assets with the value of less than R 5,000 classified as inventory per asset management policy. During the year under review, docking stations supporting new laptops were purchased to the value of R 1,8 million and this led to the high increase in consumables where these costs are disclosed.
- (4) During the 2018/19 financial year substantial costs were incurred on official meetings and functions due to the organisational review project. The costs involved travel by management and other stakeholders involved in the project. There were also a substantial number of engagement meetings to manage to project. Major activities of the projects were finalised during the 2018/19 financial year hence a substantial decrease in the costs.
- (5) Placement fees include costs incurred on recruitment of permanent & full time employees through recruitment agencies. Costs are also incurred on screening of companies/ individuals being used by the SIU to provide services or being investigated. The major increase in the costs for the current financial year is due to increase in investigations being conducted by the SIU.
- (6) Relocation costs are incurred when an SIU employees move between provinces or new employees are appointed and qualify for a relocation allowance in line with SIU policies. During the previous financial year several reallocation costs were incurred due to these movements, including one Executive members. No reallocation costs were incurred during the year under review.
- 7) Major portion of the costs incurred during the 2018/19 financial year relates to advertising of new SIU positions after approval of the new organisational structure and tenders that were advertised during the period. The number of positions and tenders advertised during the 2019/20 financial year were not as significant.

20. Auditor's remuneration

| | | |
|------|-----------|-----------|
| Fees | 3,329,455 | 3,786,258 |
|------|-----------|-----------|

21. Cash generated from operations

| | | |
|---|--------------------|-------------------|
| Surplus | 193,458,009 | 28,213,172 |
| Adjustments for: | | |
| Depreciation and amortisation | 7,077,326 | 7,315,787 |
| Loss on disposal of property, plant and equipment | 39,291 | 190,167 |
| Debt Impairment | (82,709,701) | 89,541,548 |
| Movements in provisions | 5,498,474 | 8,758,049 |
| (Decrease)/ Increase in income received in advance | 10,145,929 | 3,878,983 |
| Changes in working capital: | | |
| Increase / (decrease) in receivables from exchange transactions | 55,505,989 | (95,474,090) |
| Prepayments | 227,675 | (979,063) |
| Increase in payables from exchange transactions | 4,701,780 | 4,890,583 |
| | 193,944,772 | 46,335,136 |

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|-----------------|------|------|

22. Commitments

Operating leases - as lessee (expense)

Minimum lease payments due - within one year

- in second to fifth year inclusive

| | |
|--------------------|-------------------|
| 28,657,485 | 30,921,841 |
| 95,071,197 | 24,584,697 |
| 123,728,682 | 55,506,538 |

Operating lease payments represent rentals payable by the entity for some of its office properties. Leases are negotiated for an average term ranging from between one and five with an average escalation rate of between 5% and 8.5%. No contingent rent is payable.

23. Contingent liabilities

Claims against the SIU

| | |
|-----------|---------|
| 2,780,000 | 484,800 |
|-----------|---------|

23.1 The amount mainly represents two claims from companies that have been investigated by the SIU under published proclamations. Litigation by its very nature is uncertain. In the cases listed the SIU disputes the merits as well as the quantum. Trial dates have not been allocated and accordingly it is impossible to determine when the cases will be finalised thereby giving rise to the uncertainties relating to the amount or timing of any outflow or reimbursement.

There are no expectations of possible reimbursements for these contingent liabilities.

23.2 Accumulated Surplus

In terms of section 53(3) of the PFMA, the SIU as a public 3A entity may not accumulate a surplus without prior written approval of National Treasury being obtained. In order to give guidance to public entities and to operationalise this section of the PFMA, National Treasury had issued Instruction note no. 6 of 2017/18 on 25 May 2017, that indicates that a public entity must declare all surpluses to the relevant treasury from 31 May to 30 September in each year, after the financial yearend. The SIU will submit a draft declaration and request to retain all of its surpluses to National Treasury on 31 July 2020, with the final submission to be made in September once the Annual Financial Statements has been audited and approved finally by the end of October 2020.

24. Related parties

Relationships

Controlling entity

Entities within the same portfolio

Department of Justice and Constitutional Development

Legal Aid South Africa (Legal Aid SA)

Public Protector South Africa

South African Human Rights Commission

Justice Modernisation

President's Fund

Guardian's Fund

Criminal Asset Recovery Account (CARA)

Office of the Chief Justice

Rules Board for Courts Law

Council of Debt Collectors

South African Board for Sheriffs

South African Law Reform Commission (SALRC)

Members of key management

Adv. JL Mothibi

Adv. NC Mampuru

Adv. GW Visagie* (2019 only)

Ms MK Nyathi (2019 only)

Mr A Gernandt

Mr MT Mkhungo

Ms ME Lecheko (2019 only)

Mr LG Lekgetho

Dr JO Wells

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24. Related parties (continued)

| | |
|---------------------------|---------------|
| Members of key management | Ms NS Pandor |
| ... Continued | Mr ZL Mguli |
| | Mr P Maharaj |
| | Ms B Leshope |
| | Ms T Zwane |
| | Ms N Mashego |
| | Adv. M Muofhe |

*Effective 01 April 2019, the indicated SIU employees were no longer classified as members of key management as a result of the changes in the SIU's organisational structure.

Please refer to note 16 for remuneration of key management.

Related party transactions and balances

Relates party balances/ transactions

| | | |
|--|--------------|-------------|
| Debtors Balance - owing to the SIU by DoJ & CD | 12,378,268 | 15,857,321 |
| Accounts Payable - owing by the SIU to DoJ & CD | (14,057,866) | (6,334,947) |
| Amounts included in revenue invoiced by the SIU to DoJ & CD | (27,709,776) | (7,189,905) |
| Legal costs included in expenses invoiced by to the DoJ & DC | 27,024,794 | 15,622,340 |

The SIU's mandate is to investigate fraud and corruption as well as maladministration at all state institutions where relevant. During the normal course of business, there have been proclamations within the Department of Justice where investigations have been done, or are still ongoing.

Amounts included in Trade receivable regarding related parties

| | | |
|---|---------|---------|
| Debtors balance - owing to the SIU by NPA | 515,459 | 981,674 |
| Amounts included in revenue invoiced by the SIU to DoJ & CD | - | 64,049 |

As at 31 March 2020, an amount of R 515,459 (2019 – R 918,674) was owed to the SIU by the National Prosecuting Authority. For 2018, it included office space that had been subleased by the SIU in two provincial offices in the past and for one resource that had been seconded to the NPA. For the current and previous year, no office space was sublet by the SIU and no amount was invoiced for secondments during the current financial year (2019 – R 64,049). For the 2020 financial year therefore, the full amount outstanding was for the seconded resource only.

With regards to legal costs paid to DOJ (The Office of the State Attorney – (OSA)), it's important to note that, from an accounting point of view, the relationship between the OSA and the SIU is governed under the ambit of "GRAP 109 – Accounting by Principles and Agents", where the SIU is defined as the "Principal" and the DOJ is defined as the "Agent". The OSA in the DOJ (the agent) procures legal services and undertake transactions on behalf and for the benefit of the SIU (the principal), in the SIU carrying out its legal mandate to enter into civil litigation in order to recover funds for the State.

Criminal Asset Recovery Account (CARA)

| | | |
|--|-----------|---------|
| Revenue recognised in the Statement of Financial Performance | 5,854,071 | 178,164 |
|--|-----------|---------|

2020 Financial year allocation

In terms of section 68 of the Prevention of Organised Crime Act, 1998 (Act No 121 of 1998), (POCA), an amount of R16 million had been allocated to the SIU in terms of a Cabinet decision on 3 December 2019, to support Corruption fighting and other forms of Economic Crimes as part of the Anti Corruption Task Team (ACTT) and activities relating to the SIU Special Tribunal. An amount of R 2,533,129 has been recognised in the 2020 financial year that relates to the R11 million portion that had been allocated for activities relating to the SIU Special Tribunal.

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24. Related parties (continued)

2019 Financial year allocation

The SIU has received funding from the CARA fund during the 2018/19 financial year, for the development of a National Anti-Corruption Strategy.

During the 2018/19 financial year, R 4,451,000 was received from the Department of Justice and Constitutional Development for the development of a National Anti-Corruption Strategy for South Africa. The project is led by the Department of Planning, Monitoring and Evaluation and the SIU. Only R 178,164 of the amount received was recognised as revenue in the 2018/19 financial year, and R 843,013 was recognised in the 2020 financial year.

The SIU is one of the three primary members of the ACTT, together with the Directorate for Priority Crime Investigations and the NPA. The SIU, at its Head Office, houses members of the ACTT on its premises and also delivers IT infrastructure services to the ACTT members, including printing/ copying service, local area network connection, office applications and desktop support services. The value of the services that the SIU delivered to the ACTT members for which it did not receive any additional funding from the CARA through the DOJ & CD is reflected above. The SIU does not anticipate any contributions for these costs in the near future as the funds to contribute to these costs have been depleted.

25. Risk management

Financial risk management

The SIU's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

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

The table below analyses the SIU's financial liabilities and net-settled derivative 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 2020 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|-------------------------------------|------------------|-----------------------|-----------------------|--------------|
| Financial liabilities | | | | |
| Other financial liabilities | (559,438) | - | - | - |
| Payables from exchange transactions | (45,148,898) | - | - | - |

| At 31 March 2019 | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years |
|-------------------------------------|------------------|-----------------------|-----------------------|--------------|
| Financial liabilities | | | | |
| Other financial liabilities | (502,888) | - | - | - |
| Payables from exchange transactions | (43,278,783) | - | - | - |

Credit risk

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

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Trade receivables comprise a widespread state entities base. Management evaluated credit risk relating to state entities on an ongoing basis. If state entities are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

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

| | | |
|--|-------------|-------------|
| Financial instrument | | |
| Receivables from exchange transactions | 74,998,684 | 65,811,681 |
| Cash and cash equivalents | 730,783,446 | 554,423,539 |

Market risk

The SIU is affected by market risk in certain instances, it could compete for human capital resources that are in the forensic investigation industry. In order to mitigate this risk, the SIU seeks to remunerate at market related packages.

Interest rate risk

The SIU's only significant interest-bearing assets are cash and cash equivalents where interest is earned at market rates. The accounts are held with reputable financial institutions that comply fully with the PFMA. Any market changes would not significantly affect the entity's income and operating cash flows.

At 31 March 2020, if interest rates on the Rand-denominated cash surpluses held in call accounts had been 0.1% higher/lower with all other variables held constant, the surplus for the year would have been R 730,783 (2018: R 550,554) lower/higher, mainly as a result of higher/lower interest received on the cash surpluses on call accounts.

26. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the SIU will have enough funds available to fund its short to medium term operations.

The ability of the entity to continue as a going concern is mainly dependent on the entity being a public entity created by statute, and that Government as the shareholder will continue to make funds available to fund its operations in the future.

27. Events after the reporting date

27.1 Declaration of Surpluses to National Treasury for the ending 31 March 2020.

In terms of section 53(3) of the PFMA, the SIU as a public 3A entity may not accumulate a surplus without prior written approval of National Treasury has been obtained. In order to give guidance to public entities and to operationalise this section of the PFMA, National Treasury had issued Instruction note no. 6 of 2017/18 on 25 May 2017, that indicates that a public entity must declare all surpluses to the relevant treasury from 31 May to 30 September in each year, after the financial year end. The SIU will submit a draft declaration and request to retain all of its surpluses to National Treasury on 31 July 2020, with the final submission to be made in September once the Annual Financial Statements has been audited and approved finally by the end of August 2020.

27.2 Impact of COVID-19 on the operations of the SIU

The COVID-19 pandemic has affected the entire world in many respects and the SIU is no exception. When the President declared the country to be on total lockdown, excluding certain designated essential services, the SIU had two working days to its financial year end.

The impact on the operations were not that material for the financial year ending 31 March 2020. The impact for the new financial year though is difficult to determine as a lot is not yet known on how long the pandemic will last and when a vaccine to control it will be realized.

The impact on SIU operations for Q1 (April to June 2020) has been significant as the organization was also on lockdown and most of the operations, except emergency cases, were on hold. The SIU was able to return to normality during the months of July and August 2020, and were able to invoice institutions for investigation services rendered. The actual expenditure for the first quarter was also materially less than what was budgeted for, thereby lessening the impact on the reduced income for the first quarter.

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27. Events after the reporting date (continued)

The SIU will monitor closely the effect of Covid-19 on the remainder of the financial year, and will manage the effect on income and expenses to the best of its ability, to minimize any negative financial and operational consequences. Guidelines and measures have been put in place to ensure the safety of SIU employees, service providers, the public and anyone else that may be in contact with the organization.

28. Fruitless and wasteful expenditure

| | | |
|--|-------|-------|
| Fruitless and wasteful expenditure (Closing balance) | 9,286 | 9,286 |
|--|-------|-------|

Historic fruitless and wasteful expenditure consisting of penalties for late payments to SARS (R 4,690) and traffic fines incurred by employees (R 4,596).

29. Irregular expenditure

| | | |
|---|-------------------|-------------------|
| Opening balance | 14,299,858 | 9,497,967 |
| Add: Irregular expenditure - restatement of opening balance * | 112,843 | - |
| Opening balance as restated | 14,412,701 | 9,497,967 |
| Add: Irregular Expenditure - current * | 140,168 | 2,190,466 |
| Add: Irregular Expenditure - relating to prior period | - | 2,611,425 |
| Closing balance | 14,552,869 | 14,299,858 |

*The above irregular expenditure relates to remuneration amounts paid to one former and two current employees, where the amounts during the above financial years exceeded the remuneration scales that had been approved in 2002 (and annually increased in line with Department of Public Service and Administration's directives) by the Minister of Justice in concurrence with the Minister of Finance in 2002. These amounts and the fact that it had not been duly approved in line with the SIU Act, transpired after the Head of the SIU requested an audit on the so called "interim scales" in the 2018/19 financial year. The SIU has initiated legal proceedings against a former employee to recover the irregular expenditure in relation to the amounts due in terms of the conditions of the employment contract. In the 2019/20 financial year, another independent internal audit was done to inter alia, confirm the accuracy of the irregular amounts disclosed before and based on the outcome another employee that was treated under this dispensation was identified, and hence the increase in the total amount incurred from R2,611,425 to an additional amount of R112,843 in the 2018/19 financial year and R140,168 during the 2019/20 financial year.

No other incidents of irregular expenditure were identified during the current financial year. The total amount of R 14,552,869 has not yet been condoned as a further investigation was requested to clarify outstanding legal points in a draft report that had previously been considered.

Details of irregular expenditure

Disciplinary steps taken/criminal proceedings

| | | | |
|--|---|---|-----------|
| Incident 1 Service provider used without following proper SCM process (insurance arising from historic contract) | This is a historic contract that came to an end on 31 March 2019. A new service provider has been appointed after going through a tender process. | - | 1,243,090 |
|--|---|---|-----------|

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29. Irregular expenditure (continued)

| | | | |
|--|---|----------|------------------|
| <p>Incident 2 Service provider used without following proper SCM process (Travel Management Service arising from historic contract)</p> | <p>This is a historic contract that came to an end on 30 November 2019. A new service provider has been appointed after going through a tender process.</p> | <p>-</p> | <p>883,840</p> |
| <p>Incident 3 This expenditure relates to amounts where an employee falsified invoices for expenditure that was paid through petty cash at the Gauteng office. The SIU's internal controls revealed potential irregularities and upon the initial internal investigation on a sample basis, revealed that there was beyond reasonable doubt fraudulent activities committed in order to falsify invoices. The above amount only relates to amounts that were uncovered during the sample investigation, and the full investigation will lead to the full quantification of the amounts applicable. The employee has resigned on a 24 hours basis after being suspended in March 2019, and a criminal case for fraud has since been opened by the SIU at the SAPS.</p> | <p>A criminal case has been opened against the employee.</p> | <p>-</p> | <p>14,450</p> |
| <p>Incident 4 This expenditure relates to an amount that disappeared from the petty cash at the SIU Bloemfontein office in 2016/17. The incident was internally investigated and no conclusive reason or guilty party could be attributed to the disappearance of the money. It was decided in April 2019 to do a further investigation to come to a reasonable conclusion, which is ongoing.</p> | <p>The internal controls surrounding petty cash have since been improved from a physical security point of view.</p> | <p>-</p> | <p>1,000</p> |
| <p>Incident 5 This irregular expenditure relates to remuneration amounts paid to one former and one current employee, where the amounts during the above financial years exceeded the remuneration scales that had been approved in 2002 (and annually increased in line with Department of Public Service and Administration's directives) by the Minister of Justice in concurrence with the Minister of Finance in 2002. These amounts and the fact that it had not been duly approved in line with the SIU Act, transpired after the Head of the SIU requested an audit on the so called "interim scales" in the 2018/19 financial year.</p> | <p>The SIU has initiated legal proceedings against a former employee to recover the irregular expenditure relevant to the contractual terms.</p> | <p>-</p> | <p>48,086</p> |
| <p>Incident 6 - Irregular expenditure relating to the financial periods 2009/10 to 2017/18.</p> | <p>The SIU has initiated legal proceedings against a former employee to recover the irregular expenditure.</p> | <p>-</p> | <p>2,611,425</p> |

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|-----------------|------|------|

29. Irregular expenditure (continued)

| | | |
|---|------------|------------|
| Incident 7 - Irregular expenditure relating to periods prior to the 2019/20 financial year confirmed after an independent internal audit process. | - | 112,843 |
| Incident 8 - Irregular expenditure relating to the current financial year confirmed after an independent internal audit process. | 140,168 | - |
| | 140,168 | 4,914,734 |
| Current year | 140,168 | 4,801,891 |
| Prior years | 14,412,701 | 9,610,810 |
| | 14,552,869 | 14,412,701 |

30. Budget differences

Material differences between budget and actual amounts

30.1 Interest Received

The positive variance in interest income is due to higher than expected average bank balances.

30.2 CARA Funds

In terms of section 68 of the Prevention of Organised Crime Act, 1998 (Act No 121 of 1998), (POCA), Cabinet approved on 3 December 2019, the recommendation of the Criminal Asset Recovery Committee (CARC), to allocate an amount of R16 million to the SIU, to support Corruption fighting and other forms of Economic Crimes as part of the Anti Corruption Task Team (ACTT) and activities relating to the SIU Special Tribunal.

An amount of R 5,011,059 has already been expensed on these intended costs, and likewise this amount has been recognise as income. This amount was not budgeted for because it was only approved in December 2019.

30.3 Employee Related Costs

The underspending in compensation of employees is due to the following reasons:

The SIU underwent an Organisational Review Process, whereby a new Organisational Structure was developed. The SIU intends to capacitate the new structure over the MTEF period which will result in the actual expense being more in line with the budgeted expenses. The process of recruiting and filling of new positions of the organisational structure has already commenced in the 2019/20 financial year.

30.4 Debt Impairment

The debt impairment projection is based on the evaluation of each state institution's circumstances, including the historic payment patterns, any application for exemptions made to National Treasury not to pay the SIU in terms of the SIU Act, payments received after 31 March 2020 and is consistent with previous financial years. A major portion of debts impaired during the 2018/19 financial year were recovered as a result of the SIUs on-going efforts to recover debts from Institutions being investigated. Several engagements with Senior Management of these Institutions, Portfolio Committee and National Treasury have contributed towards this achievement.

30.5 General Expenses

Included under general expenses are costs relating to the recruitment process. These costs were not incurred as anticipated during the year under review. The recruitment process is still on-going.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]