



FIFTH
CONSECUTIVE
CLEAN AUDIT



ANNUAL REPORT 2020/2021



POISED TO STRIKE
against corruption



ANNUAL REPORT 2020/2021

A close-up, blue-tinted photograph of a computer keyboard. The keys are white with blue characters. A white circular graphic with a yellow border is overlaid on the keyboard, containing the word "Contents" in a bold, teal font. A yellow curved bar is also visible in the upper left corner of the graphic.

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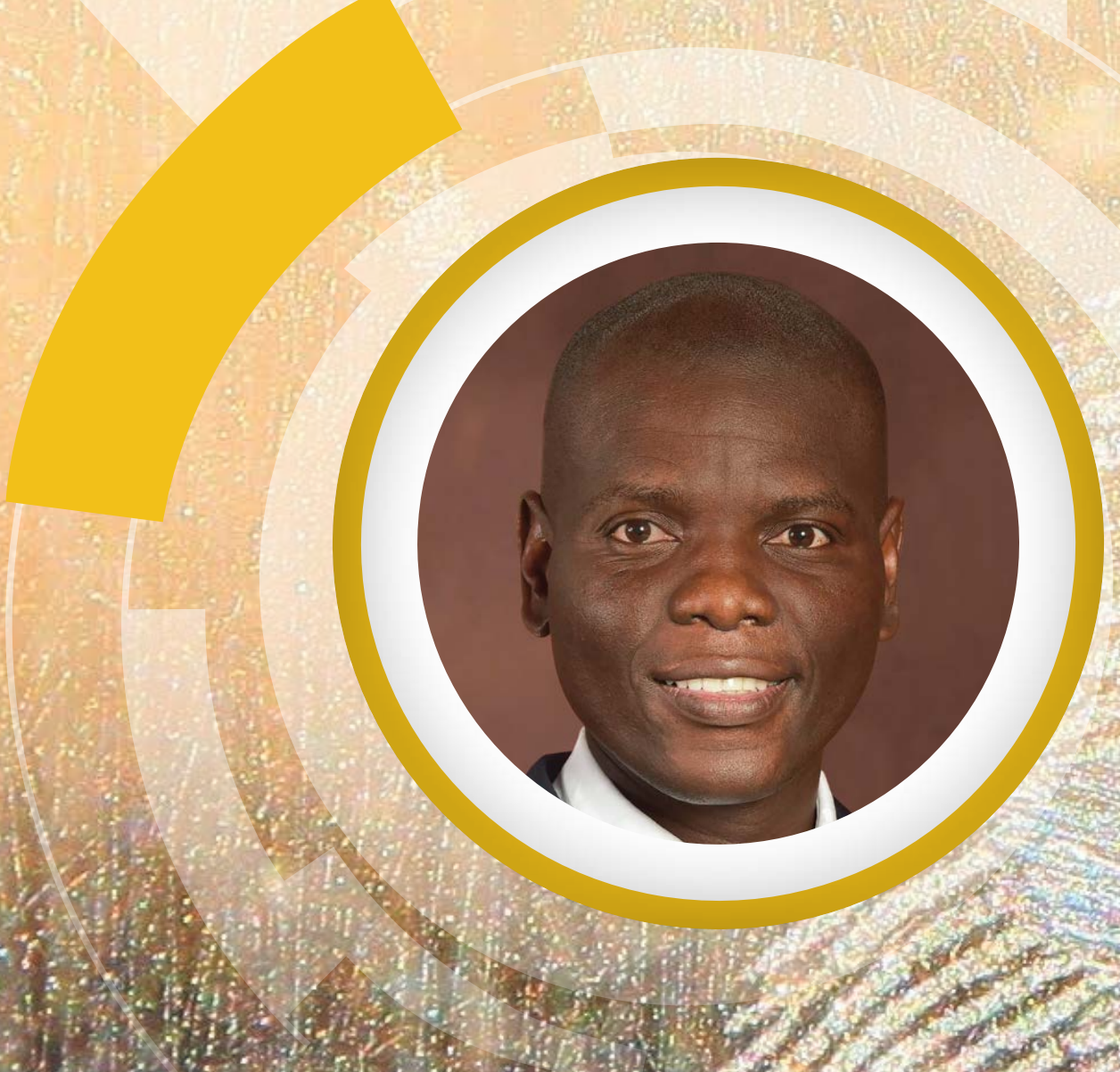
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ACRONYMS

A	ACTT	Anti-Corruption Task Team
	ACWG	Anti-Corruption Working Group
	AFU	Asset Forfeiture Unit
	AGSA	Auditor-General of South Africa
	AU	African Union
B	BRICS	Brazil, Russia, India, China, South Africa
C	CIDB	Construction Industry Development Board
	CoGTA	Corporative Governance and Traditional Affairs
	CVS	Corruption Vulnerable Sectors
E	EE	Employment Equity
	eNaTIS	Electronic National Traffic Information System
F	FY	Financial Year
	FATF	Financial Action Task Force
	4IR	Fourth Industrial Revolution
	GG20	19 countries and the European Union
H	HR	Human Resources
	HSACF	Health Sector Anti-Corruption Forum
I	ICT	Information communication technology
J	JCPS	Justice, Crime Prevention and Security
L	LAN	Local Area Network
	LGACF	Local Government Anti-Corruption Forum
N	NACS	National Anti-Corruption Strategy
	NDEL	National Department of Employment and Labour
	NDP	National Development Plan
	NHI	National Health Insurance
	NPA	National Prosecuting Authority
O	OECD	Organisation for Economic Co-Operation and Development
P	PAJA	Promotion of Administrative Justice Act
	PPEs	Personal Protective Equipment (PPEs)
	PFMA	Public Finance Management Act
S	SADC	Southern African Development Community
	SALGA	South African Local Government Association
	SARS-COV2/Covid-19	Severe Acute Respiratory Syndrome Coronavirus 2
	SIU	Special Investigating Unit
	SSA	State Security Agency
	SCOPA	Standing Committee on Public Accounts
	SOEs	State-Owned Entities
SMMEs	Small, Medium and Micro Enterprises	
U	UN	United Nations
V	VSRA	Vulnerable Sector Risk Assessments
W	WAN	Wide Area Network



1. FOREWORD BY MINISTER OF JUSTICE AND CORRECTIONAL SERVICES

I have the pleasure of presenting the Special Investigating Unit's (SIU) Annual Report for the 2020/21 Financial Year. The Financial Year under review was marred by the outbreak of Covid-19 pandemic, this changed how organisations across operate various spectrums.

Having declared a national state of disaster in March 2020 the South African government recognised the magnitude and severity of the COVID-19 outbreak which had been declared a global pandemic by the World Health Organization.

The pandemic has presented government with unprecedented challenges in ensuring not only the health of their citizens but also public service continuity. Our government had to purchase vital health products swiftly whilst ensuring smooth and accountable management of ongoing contracts to continue providing public services to citizens.

Emergency procurement measures were subsequently implemented by the National Treasury to respond to the pandemic. Following the implementation of the emergency procurement by various state institutions at all spheres of government, a number of procurement irregularities and corruption allegations were reported to the SIU by whistle blowers.

Evidently, the current crisis has seen a rise in organised crime groups penetrating businesses, taking advantage of emergency measures and low public trust in government.

The allegations reported to the SIU involved amongst others the irregular procurement of Personal Protection Equipment (PPE), hospital and quarantine sites, catering services (food parcels), ventilators, disinfecting equipment and motorized wheelchairs.

President Cyril Ramaphosa through Proclamation R23 of 2020 authorising the SIU to investigate allegations of corruption, malpractice and maladministration in various institutions in the public sector relating to the procurement of Personal Protective Equipment for the COVID-19 pandemic. The SIU along with other law enforcement agencies have had to ensure that measures are taken for the preservation of evidence, reports of misconduct are taken seriously and whistleblowers are protected.

The SIU has done a sterling job in investigating corruption allegations, to hold those responsible to

account for their actions, and to recover financial losses suffered by the State. Some of the cases that have been concluded include the R10.1 million tender that was irregularly awarded by the Eastern Cape Department of Health to Fabkomp Pty Ltd to deliver 100 scooter ambulances. This tender has since been declared unlawful and invalid. Other successfully concluded cases include the irregular awarding of five contracts for masks worth R18,6 million by the Mpumalanga Department of Health and R300 million contract for the construction of 1800 temporary shelters by the Eastern Cape Human Settlement.

To recover money lost, the SIU has instituted 40 civil matters in the Special Tribunal to the value of R5.1 billion. Through this process, the SIU seeks to have PPE contracts, which were irregularly awarded by government departments, municipalities and State Owned Entities, declared unlawful and invalid, and to recover financial losses suffered by the State from those responsible.

Covid-19 again saw the law enforcement agencies in the country coming together under the banner of Fusion Centre which was established solely to fight pandemic related corruption. The Fusion Centre is a combination of law enforcement agencies, which is intended to strengthen the collective efforts amongst law enforcement agencies to prevent, detect, investigate and prosecute COVID-19 related corruption.

The Fusion Centre is investigating allegations of corruption in areas such as the distribution of food parcels, social relief grants, the procurement of PPE and other medical supplies, and UIF special COVID-19 scheme. It also speeds up investigations and prosecution of COVID-19 related fraud and corruption cases. As a result, we have seen a number arrests, which we are hopeful will lead to successful prosecution, contracts being declared invalid and unlawful, and financial losses suffered the State being recovered.

As government, we welcome these concrete actions aimed at ensuring that those responsible for corruption are held to account. While we are encouraged by this decisive action, we are nevertheless concerned that SIU findings show that people are prepared to go all out to disregard due processes and manipulate systems for selfish gains.

The SIU has again proven to be an effective institution in the fight against corruption by making the biggest recovery to date in a single investigation. The Unit recovered more than R1.57 billion from ABB South

Africa. The recovery was made in December 2020. The company was awarded a contract to do work at Eskom's Kusile power station in Mpumalanga. The SIU has begun a process to institute civil proceedings in order to review and set aside the contract.

Cabinet has approved the National Anti-Corruption Strategy 2020-2030, which seeks to coordinate whole of society approach against corruption and bring law enforcement agencies together. The strategy recognises the need to coordinate anti-corruption activities and to create implementation structures and

monitoring measures that can address the scourge of corruption holistically and at multiple levels. The strategy together with active citizenry, we will manage to create a corruption free society.

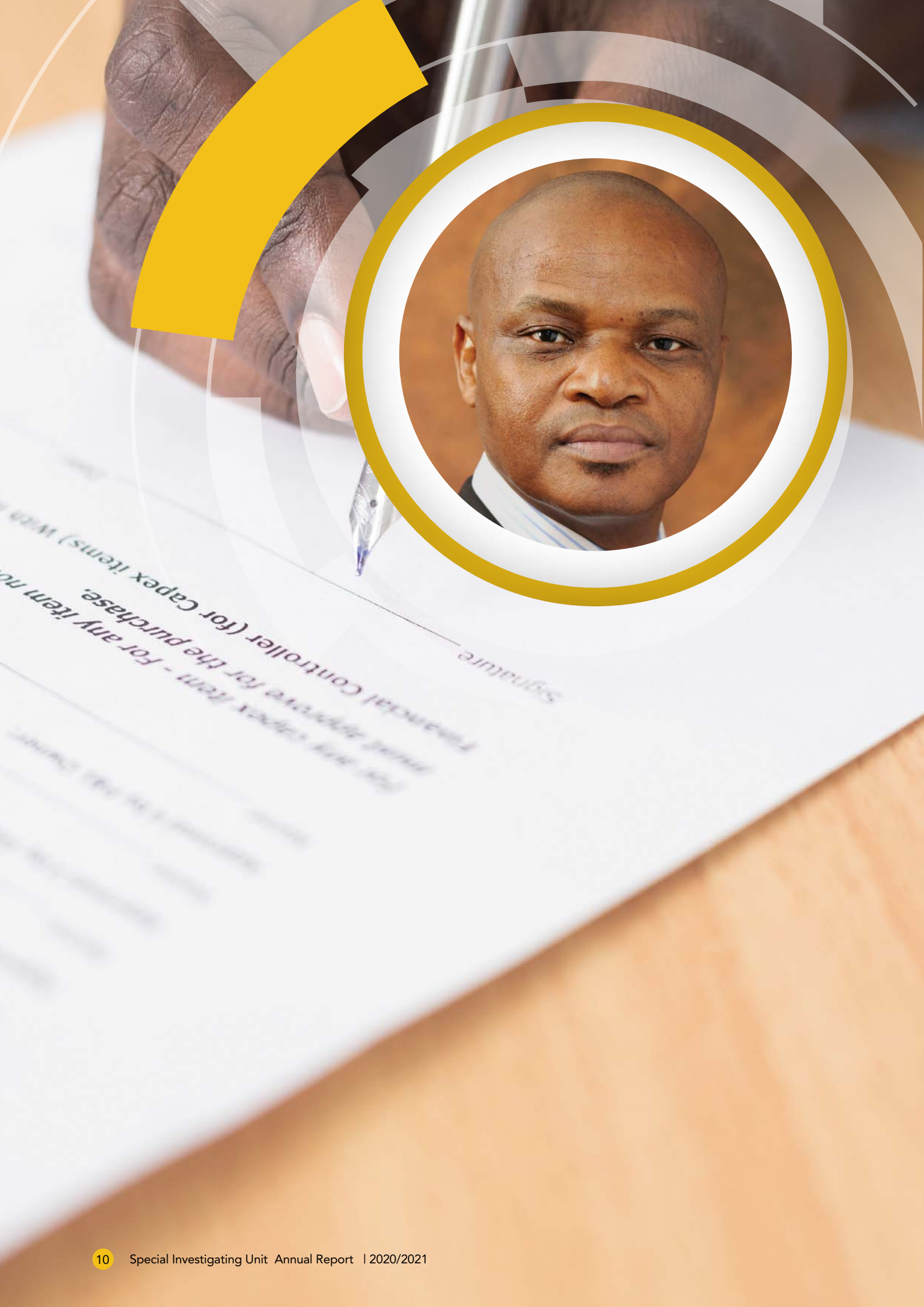


Mr RO Lamola, MP
Minister of Justice and Correctional Services





**FRAUD
PREVENTION**



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2. REPORT OF THE ACCOUNTING AUTHORITY

It gives me great pleasure to present the Annual Report of the Special Investigating Unit (SIU) for the 2020/2021 financial year (FY).

At the end of the 2019/2020 FY, SIU adopted a new 5-year Strategic Plan that covers the period 2020/21 – 2024/25. The year under review, 2020/21 was the first year of implementing the 5-year Strategic Plan. This Annual Report therefore provides an update on the progress and accomplishment made during the period under review in line with the 5-year Strategic Plan (2020/21 – 2024/25) goals and the planned targets as reflected in the 2020/21 Annual Performance Plan (APP).

Over the years, SIU has proven to be an important agency in fighting corruption in collaboration with other law enforcement agencies to prevent the spread of corruption in the country. Through the establishment of a Special Tribunal, SIU is making significant strides in the recovery of monies and assets lost by State institutions through irregular and corrupt means and holding those responsible accountable.

As part of strengthening the SIU mandate, draft legislative amendments of the SIU Act (Act 74 of 1996) were developed and formulated. The amendments incorporated are meant to ensure efficient and effective execution of the SIU legislative mandate including ensuring the implementation of the SIU recommendations and referrals. The amendments were submitted to the Department of Justice and Correctional Services and will form part of the 2022 legislative programme.

Performance Information

The SIU continued to show an improved performance demonstrated by the good performance results reflected in this Annual Report.

Despite the country being in lockdown due to the Covid-19 pandemic during the 2020/21 FY, the SIU managed to achieve its set targets specifically under the core business. The achievements include, among others, 40 cases with a contract value of R5.1bn being issued in the Special Tribunal, 435 cases being referred to the National Prosecuting Authority (NPA), 15 Presidential reports on investigations submitted to the Presidency and R1, 8 billion being recovered on cash or assets or both. A detailed breakdown of the organisational performance is reflected under Part B of this Annual Report.

Strategic Partnership and Alliances

In line with the National Anti-Corruption Strategy (NACS), the SIU has led initiatives that give effect to the strategic objective of the Whole of Society approach in the fight against corruption.

Strategic alliances have been forged with sector role players in the Health, Local Government and Infrastructure Build environments through the establishment of the Health Sector Anti-Corruption Forum, Local Government Anti-Corruption Forum and Infrastructure Build Anti-Corruption Forum. The importance of such fora is that they create a platform where multi-agency and multi-party approach is adopted in dealing with corruption allegations pertaining to these sectors. The benefit of this is that it allows for the optimal use of resources in preventing and combatting maladministration, malpractice and corruption.

SIU continues to participate in the Anti-Corruption Task Team (ACTT) as the champion of Programme 4 of the ACTT, which deals with the Corruption Vulnerable Sectors (CVS) and leads to the implementation of Pillar 6 of the NACS, which focuses on 'protecting vulnerable sectors' that are most prone to corruption and unethical practices with effective risk management.

In giving effect to above NACS provision, to date, the SIU has conducted Vulnerable Sector Risk Assessments (VSRA) and established the following sectoral forums to foster multi-sectoral collaboration and pro-actively deal with corruption:

- Health Sector Anti-Corruption Forum
- Local Government Anti-Corruption Forum
- Infrastructure Build Anti-Corruption Forum

These forums include representatives from government, businesses, law enforcement agencies, regulators and civil society. Corruption preventions initiatives have been rolled out with a particular focus on the health sector-related corruption. These initiatives were held through a series of webinars that were streamed in various government platforms, social media and broadcasting platforms.

Among health sector, thematic areas were discussed by a panel of experts which include the following:

- 1.) The corruption pandemic in the health sector.
- 2.) National Health Insurance (NHI) and its vulnerability to corruption.

- 3.) When corruption and Covid-19 intersect.
- 4.) Combatting corruption in the private health sector.

The SIU continues to also participate and make a meaningful contribution in the following International Forums: SADC, Commonwealth Anti-Corruption Agencies, African Union Advisory Board on Corruption, Brazil, Russia, India, China, South Africa (BRICS) Anti-Corruption Working Group (ACWG), United Nations Convention Against Corruption and Drugs, (G20) ACWG, Organisation for Economic Co-Operation and Development (OECD) and Financial Action Task Force (FATF). The SIU submits inputs timeously to all these structures to ensure that the country meets its international obligations. The best practises are also shared among all the member countries to ensure the exchange of best practises and ideas on new development around corruption prevention and investigations.

Monitoring of Remedial Actions

SIU has over the years focused on implementing business process improvements, which have yielded positive results. The new strategy emphasises the positive impact of the SIU's work. Several factors that contributed to the positive impact of the SIU's work included improvement on the turnaround times of the investigations, reaching the expected legal outcomes and ensuring implementation of SIU outcomes, strategic priorities and recommendations.

Furthermore, the SIU continues to aim to proactively influence the systemic and behavioural root causes of maladministration and corruption by directing internal processes and influencing external strategic decision-making processes through data analysis. This analysis identifies sector risk factors and allows the SIU to advise and report on possible systemic improvements to avoid recurring cases of fraud and corruption.

In addition, the SIU monitors the implementation of recommendations made to State institutions for purposes of consequence management through collaborative efforts with the Presidency and the Auditor-General of South Africa (AGSA). The President releases final reports of the SIU to the AGSA upon request and the AGSA then includes the SIU's recommendations as part of its audit plans at the relevant State institutions.

Corruption Trends

Trends identified during the 2020/21 FY, based on completed investigations once again point to public sector procurement being plagued with endemic, widespread maladministration, malpractices and corruption at all levels of government. It appears that the problem was exacerbated by procurement

undertaken in response to the declaration of the National State of Disaster. Mindful of this, the SIU intends embarking on targeted awareness campaigns regarding public sector procurement once the SIU has concluded its investigation into such procurement in terms of Proclamation No R23 of 2020.

SIU's Control Measures in Response to Covid-19

In the 2020/21 FY, the world experienced an outbreak of the Covid-19 pandemic. Covid-19 has changed and affected our daily lives and the way business is conducted. South Africa was not exempted from this, as operations of all businesses, government and State institution were affected drastically. To fight the spread of Covid-19, President Cyril Ramaphosa, declared a National State of Disaster in South Africa in relation to Covid-19 on 15 March 2020. Subsequently, the country was put in lockdown.

The spread of Covid-19 has affected and disrupted lives both private and in business. Similar to most organisations in the country, the SIU experienced the negative impact of Covid-19. SIU, however, adhered closely to the leadership set by Government and the World Health Organisation and adjusted strategies accordingly, based on the risk level.

The Business Continuity Management Committee, which is responsible to render guidance and response by SIU business, guided the process of managing and responding to the COVID-19 pandemic internally. The Committee identified and implemented several interventions to mitigate and manage the risk of Covid-19 infections. These included the development of a Covid-19 policy, guidelines and protocols, training of all employees in Covid-19 and related health and safety issues. There was also a focus on observing basic safety protocols such as, sanitising and daily screening.

During Level 5, the organisation closed down with a few Operations staff continuing with critical investigations that had to proceed during this period. During Levels 3 and 4, a rotational work arrangement where 50% and 70% of employees were working from home respectively during these periods was introduced. Twelve per cent (12%) of employees tested positive for Covid-19 during this period and this was managed through SIU Covid-19 policy and guidelines. Fortunately, there was no fatalities."

Proclamation to Investigate Allegations of Maladministration and Corruption Relating to Personal Protective Equipment (PPE)

As the outbreak of Covid-19 continued to spread across the world, containment measures are becoming more important. However, these much-needed containment

measures have brought massive disruption to working arrangements, travel, everyday living and business operations. Unfortunately, acts of corruption found a place in the procurement of personal protection equipment (PPE) and this resulted in the SIU being mandated by the President to investigate irregular procurement of PPE.

Pursuant to the declaration of the National State of Disaster by the President on 15 March 2020, emergency procurement measures were implemented by the National Treasury. This resulted in SIU receiving several allegations involving certain affairs of State institutions in the national, provincial and local spheres of Government in relation to the procurement of goods, works or services in response to the Covid-19 pandemic. After careful consideration and assessment of the allegations, the SIU received a Proclamation to investigate maladministration and corruption regarding procurement by all State institutions across all three tiers of Government, in response to the Covid-19 pandemic.

On 23 July 2020, the President issued Proclamation No R 23 of 2020 specifically tasking and authorising the SIU to exercise or perform all the functions and powers assigned to, or conferred upon it by the SIU Act, including the recovery of any losses suffered by the State in relation to the matters in the Schedule to the Proclamation.

In conducting the investigation, SIU had to deploy its limited resources optimally to pursue and investigate the alleged acts of corruption, fraud and maladministration connected to the procurement of Covid-19 PPE. This included investigation of fraudulent distribution of food parcels, social relief grants, procurement of PPEs and related other medical supplies, and looting of the UIF's Covid-19 Temporary Employer/Employee Relief Scheme.

The President mandated the SIU to submit interim reports on the status of the R23 investigations every six weeks, which the SIU continues adhering to.

As at the end of the 2020/21 FY, 42117 investigations were closed and the bulk of the closed investigations was referrals under the National Department of Transport Electronic National Traffic Information System (Natis) investigation and the PPE investigation.

Information Communication Technology (ICT) Environment

The SIU's commitment to improve its information communication technology (ICT) environment by investing in hardware and software as part of the stabilisation phase of the ICT strategy is improving delivery capabilities. optimisation of processes by

digitising and further automating forms that were previously manual enabling operational efficiencies, as well as transforming business into a digital business, is also being focused on.

Our investigators are fully equipped with the ability to securely access systems over the network from anywhere. This has resulted in an improved turnaround time for investigations.

The technology roadmap into building a digitised organisation is well underway. A Market Data Analytics infrastructure capability that will enable investigators access to various databases through a data warehouse in near real-time, including third-party information to enhance the quality of investigations and further improve turnaround times has commenced.

The prospects of what the Fourth Industrial Revolution (4IR) bring into the quest to fight corruption for the future of South Africa are very exciting.

Human Capital

The work of the SIU has over the years gained recognition and is valued in the fight against corruption and maladministration. An increase in the number of allegations reported to SIU which translated into an increase in the number of proclamations signed by the President was seen. The SIU considered an improvement of capacity in addition to its current recruitment process of positions identified by Project Siyakha and embarked on the additional resourcing process. The vacancy rate as at the end of the FY was 15% as compared to the 14% planned target.

One of the focus areas within the strategic priorities was to accelerate transformation, organisational change and adjustment to the 'new normal' of work pattern because of the Covid-19 pandemic.

This has involved a steady shift in management attention to improve employee welfare, staff morale and adjustment to working from home. Strict safety protocols were put in place, various communication, collaborative tools as part of our work-from-home programme were rolled-out, and most employees adapted quickly to working from home. SIU's agility and responsiveness saw quick transformation and resilience to the changes, thereby ensuring continuity of operations.

Human Resources (HR) has played a bold and prominent role in accelerating transformation in the organisation. As at the end of the FY 2020/21, the staff complement totalled 532, of which 509 (96%) are permanent and 23 (4%) are fixed-term contracts as compared to 530 of the previous year. The SIU has made reasonable

transformation progress in terms of its top management level and is committed to advancing the employment equity agenda. The proposition on women employed at senior and top management is 16, which represents 33% of the total management workforce.

Despite the upheaval and challenging economic conditions for the 2019/20 performance appraisal period, the average score for the year under review is 84.2% as compared to 83% of the previous cycle. Performance is measured on agreed operational/project plans and service targets.

The SIU has shown over the years that it is a high-performance organisation with a stable, expert workforce, with good institutional knowledge that is mainly attributed to employee's tenure, revealing that employees have reached high levels of performance over time.

The continuous spread of Covid-19 remains a challenge, impact lives, health and well-being of the organisation and its employees. Although there remains some uncertainty around the effects of Covid-19, SIU is committed to delivering on its commitments.

SIU is also very excited about this next chapter and evolution of the SIU story.

Stakeholder Relations and Communications

During the FY under review, the SIU organised two major press conferences to share the outcomes of its investigations with the public. The first was a joint press conference with the power utility, Eskom, to announce the recovery of R1, 57 billion in a single investigation from ABB, which was awarded a contract to do work at the Kusile Power Station in Mpumalanga.

The second press conference was on the release of a report of outcomes and finalised investigations into allegations of corruption and maladministration on the Covid-19 PPE procurement by State institutions under Proclamation R 23 of 2020. The press conference was significant for the SIU, as it was the first time in the history of SIU that the SIU was permitted by the President to issue a report on outcomes and finalised investigations publicly.

The PPE report generated a lot of interest in the work and the high-level value chain of the SIU from members of the public and media. The public interest resulted in the Stakeholder Relations and Communication Department initiating a public education and awareness campaign under the hashtag #KnowYourSIU.

Financial Management

Similarly, in executing the SIU strategy, Strategic Risks that, if not adequately mitigated, will lead to the SIU

failing to achieve its objectives were also taken into account. One of the key strategic risks identified in the past is the weaknesses in the current funding model of the SIU. The SIU has formally engaged with the National Treasury in this regard and is exploring various ways of how to amend or enhance the funding model, in order to guarantee the longer-term financial sustainability of the SIU.

Exacerbating the funding model weaknesses, is the fact that the SIU struggles to get outstanding debt settled that had been incurred in the past for investigations and other related services, especially debt being owed by local government. At the end of the 2020/21 FY, there was R619 million gross debt outstanding, which is very material, given that the total revenue for the 2020/21 FY was R756 million. The SIU will continue to engage with the National Treasury in order to assist both on enhancing the funding model, as well as with the recovery of outstanding debt.

Our focus on good governance continues to be demonstrated by our prudent financial management. The SIU continues to be in strong financial position, from both a liquidity and accumulated surplus perspective. At the end of the year, the SIU had a positive bank balance of R742 million, and a surplus of R68 million, bringing the total accumulated surplus in the balance sheet to R836 million.

The SIU is currently in a strong financial position as some cash resources were built up over the last few years. However, this has the potential to rapidly change as it is planned to increase human capital resources over the next few years in order to meet the high demand of incoming investigations, and in providing and fulfilling SIU's mandate.

Internal Audit

The SIU continues to pride itself in good governance and maintaining a sound internal control environment. SIU had both Internal Audit and Audit Committee operating with approved Charters.

The Internal Audit risk based 2020/21 was implemented in line with the approved plan and 94% (16/17) of the audits were completed for the year. The overall conclusion on the status of Internal Control is that controls are adequate but partially effective.

Management was also committed to ensuring that all findings raised by both the internal and external audit were resolved. This was monitored through the bi-monthly internal Audit Steering Committee meetings, Executive Management Committee meetings and quarterly by the Audit Committee to ensure that there was continuous improvement to the control

environment and the risk of recurring findings was mitigated.

In terms of the AGSA audit, the SIU obtained a clean audit outcome for the 5th consecutive year. This is a demonstration of sound governance, risk management, management of performance information, financial management and internal control within the Unit.

Acknowledgments

The achievements of SIU are only possible due to the commitment of its most valuable asset, i.e. its people. SIU's management therefore extends its appreciation to all SIU employees for their concerted effort in

ensuring that services are delivered as mandated by the Constitution.

Finally, I would like to express my heartfelt gratitude to the Minister of Justice and Correctional Services, Mr. Ronald Lamola, for his continued leadership and support.



Adv. Andy Mothibi
Accounting Authority

3. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF 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 free from any omissions. The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by the 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 HR information and the Annual Financial Statements. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

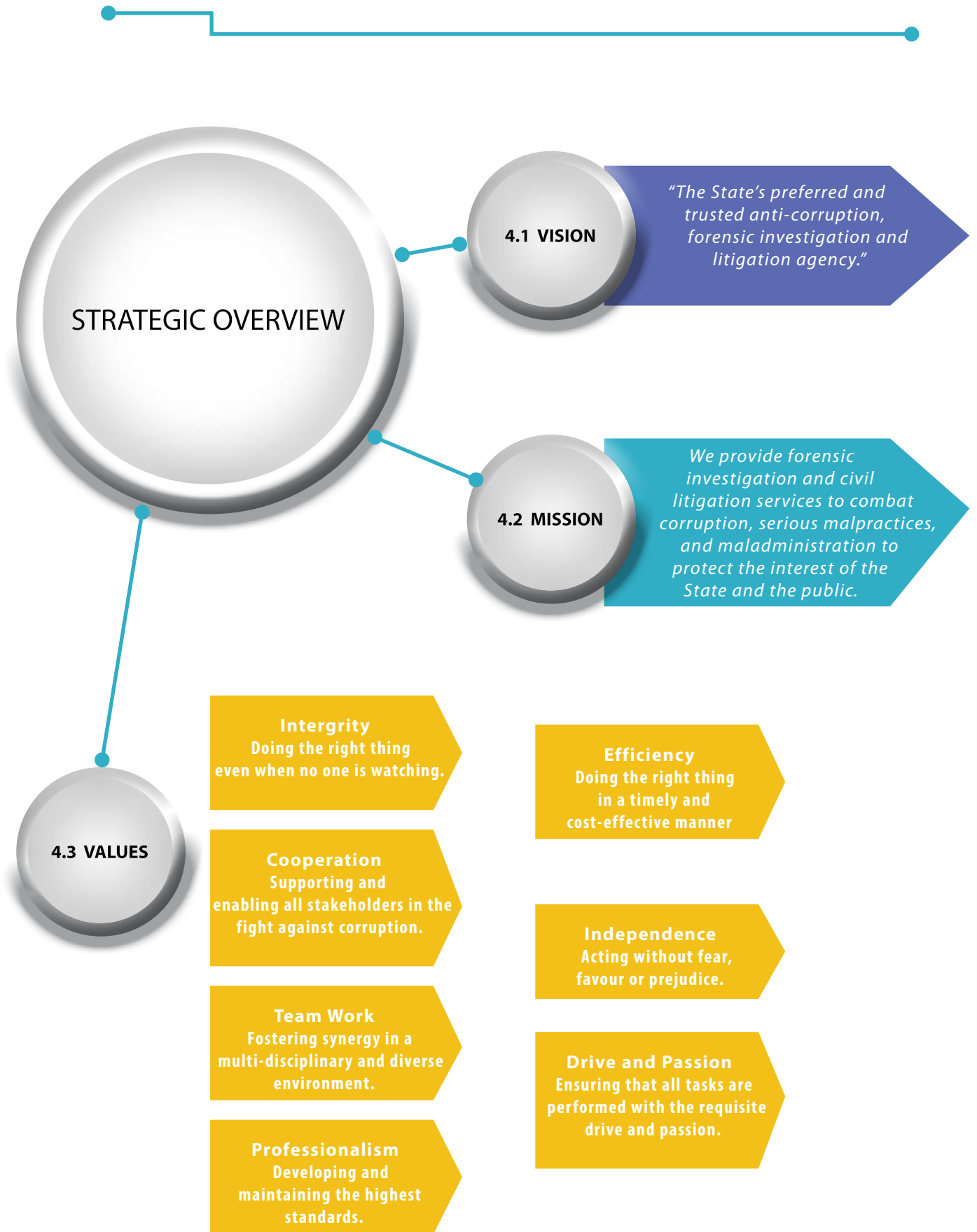
In my opinion, the Annual Report fairly reflects the operations, the performance information, the HR information and the financial affairs of the entity for the FY ended on 31 March 2021.

Yours faithfully



Adv. Andy Mothibi
Accounting Authority

4. STRATEGIC OVERVIEW



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	<p>Access to Information</p> <p>(1) Everyone has the right of access to</p> <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. <p>(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.</p>
Section 33	<p>Just Administrative Action</p> <p>(1) Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.</p> <p>(2) Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.</p> <p>(3) National legislation must be enacted to give effect to these rights, and must</p> <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	<p>Access to Courts</p> <p>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.</p>

5.2 Legislative Mandate

In terms of the Public Finance Management Act (PFMA) (Act 29 of 1999) as amended 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.

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. (SIU Act) and in accordance with the imperatives of the Constitution and the Promotion of Administrative Justice Act (Act 3 of 2000) (PAJA).

Below are the functions of the SIU that are within the framework of its terms of reference as set out in the Proclamation referred to in Section 2(1) of the SIU Act.

- (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.
- (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.

6. STAKEHOLDER ENGAGEMENTS

The SIU uses stakeholder engagements to connect, collaborate, educate and inform existing stakeholders, including the South African public, on the work and processes of the Unit. The engagement focuses mainly on identifying, mapping and prioritising key stakeholders to determine the best tactics for effective communication while making the best use of available resources.

Stakeholder engagement assists the SIU to prioritise the needs and desires of everyone who has a stake in the Unit. This enables the Unit to foster connections, instil trust and confidence together with buy-in for the Unit's key activities. Successful stakeholder engagements have a potential to mitigate risks, conflicts and reputational harm.

Below are the key stakeholder engagements held during the 2020/21 FY.

Table 3: Stakeholder Engagements Held

Name of stakeholder(s) the engagement was held with	Purpose of the stakeholder engagement	Date of the stakeholder engagement
South African public through webinars Participating organisations: SIU, Health Funders Association and Corruption Watch	The corruption pandemic in South Africa's health sector ○ <i>Introductory webinar, which highlights the Health Sector Anti-Corruption Forum (HSACF), its mandate and current achievements</i>	04 October 2020
South African public through webinars Participating organisations: SIU, NHI Fund Developer Section 27	National Health Insurance (NHI) and its vulnerability to corruption ○ <i>In-depth presentation on the NHI followed by a Q&A on the risks of corruption in the implementation of the NHI</i>	15 November 2020
South African public through webinars Speakers: SIU, Competition commission Council for Medical Schemes Board of Healthcare Funders	Combatting corruption in the private health sector ○ <i>Understanding how corruption manifests within the private health sector.</i>	29 November 2020
South African public through webinars Participating organisations: SIU, Hawks and NPA	When corruption and Covid-19 intersect ○ <i>Focus on trends, hotspots and patterns of corruption during the Covid-19 crisis.</i>	06 December 2020
South African public through a press conference Participants: Journalists and SIU	The announcement of recovery of financial losses suffered by Eskom during the construction of Kusile Power Station. The financial loss was R1,557,107,009	12 December 2020
South African public through a press conference Participants: Journalists and SIU	The announcement of outcomes into Covid-19 PPE investigations.	05 February 2021

7. ORGANISATIONAL STRUCTURE (EXECUTIVES)



Adv. Andy Mothibi
Head of the Unit



Andre Germandt
Chief Financial Officer



Dr Jerome Wells
Chief Legal Counsel



Tumelo Zwane
Chief Information Officer



Leonard Lekgetho
Chief National
Investigations Officer



Pranesh Maharaj
Chief Programme
Portfolio Officer



Neptune Mashego
Chief Human Capital Officer



Thulani Mkhungo
Chief Risk Officer



Boaratwa Leshope
Chief Audit Executive



Mr. Ziphokenkosi Mguli
Head of Strategy, Monitoring and Reporting



Kaizer Kganyago
Head of Stakeholder Relations and Communications

PART B: Performance Information

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ACRONYMS

A	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
	BEC	Bid Evaluation Committee
C	CEO	Chief Executive Officer
	CIDB	Construction Industry Development Board
	COGTA	National Department of Co-operative Governance and Traditional Affairs
	CVD	Centurion Vision Development
D	DBE	Department of Basic Education
	DCS	Department of Correctional Services
	DEFS	Department of Education Free State
	DM	District Municipality
	DoC	Department of Communications
	DoH	Department of Health
	DoT	Department of Transport
	DoJ & CS	Department of Justice and Correctional Services
	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
	E	EA
ECDOE		Eastern Cape Department of Education
ECDSD		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
F	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
G	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 Tubatse Local Municipality
H	HoU	Head of Unit
I	IAU	Internal Audit Unit
	IBM	International Business Machines Corporation
	ICT	Information Communication Technology

I	IDT	Independent Development Trust
	IEDU	Infrastructure and Economic Development Unit
	IT	Information technology
K	KZN	Kwa-Zulu Natal
L	LAN	Local Area Network
	LMP	Limpopo
	LNW	Lepalle Northern Water
M	MFMA	Municipal Finance Management Act
	MICT	Media, Information and Communication Technologies
	MIG	Municipal Infrastructure Grant
	MoA	Memorandum of agreement
	MPU	Mpumalanga
	MSW	Masetloaka Scott Wilson
	MSA	Municipal Systems Act
	MTSF	Medium-Term Strategic Framework
N	NIA	National Intelligence Agency
	NDEL	National Department of Employment and Labour
	NDPI	National Department of Public Works and Infrastructure
	NHLS	National Health Laboratory Services
	NLC	National Lotteries Commission
	NMBMM	Nelson Mandela Metropolitan Municipality
	NPA	National Prosecuting Authority
	NRTA	National Road Traffic Act
	NW	North-West
	NWM	North-West Province Municipality
P	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
R	PSIRA	Private Security Industry Regulatory Authority
	RFP	Request for Proposal
S	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
T	TCMM	City of Tshwane Metropolitan Municipality
	TCC	Tax Clearance Certificate
	TS TVET	Tshwane South Technical and Vocational Education and Training College
U	USAASA	Universal Service and Access Agency of South Africa
V	VAT	Value-Added Tax
W	WAN	Wide area network

1. OUTCOMES AND OUTPUTS

In 2019, SIU undertook a robust and rigorous process of developing a 5-year 2020/21–2024/25 Strategic Plan and in that process, 4 outcomes and 15 outputs were developed to be implemented over the Five-year Medium-Term Strategic Framework (MTSF) period. These outcomes were informed by the priorities of the Special Investigating Unit (SIU), current realities (threats and opportunities) and limited resources, to identify the critical areas of focus.

The 2020/21 financial year was the first year of implementation of the 2020 – 2025 Strategic Plan. These outcomes are aligned to detailed and measurable outputs, which provide a way to commit resources and accountabilities to a particular course of action. The outputs are supported by performance indicators and activities, which are detailed in the Annual Performance Plan (APP), as well as in the operational plans of the organisation.

The table below sets out the alignment between the SIU’s outcomes and outputs:

Table 4: Outcomes and Outputs

Outcomes	Outputs
A compliant, high-performance SIU that is well capacitated to rid society of corruption, maladministration and fraud in State institutions	<ul style="list-style-type: none"> • Good governance and controls environment for positive audit outcomes. • Risk management measures to improve high levels of risk maturity. • Prescribed SIU annual plans to provide strategic support and ensure compliance. • Filled vacancies of funded key SIU positions. • Standard performance management system in place. • SIU stakeholders managed through outcomes of biennial stakeholder perception surveys. • Develop and deploy a plan to leverage technology to create a globally competitive high-performance organisation.
State assets and cash resources are protected from maladministration, fraud and corruption for the realisation of full value for money for State programmes	<ul style="list-style-type: none"> • Civil and other legal proceedings to recover cash and assets and set aside contracts and administrative actions that are deemed to be invalid.
Confidence in the governance systems, structures and policies of the State is restored and maintained	<ul style="list-style-type: none"> • Legal proceedings and other due processes to conclude investigations, refer investigations for necessary action and submit mandatory status reports to the President.
Corruption, maladministration and fraud deterred through proactive preventative mechanisms and effective enforcement of consequence management measures	<ul style="list-style-type: none"> • Awareness campaigns targeted at specific audiences. • Insights in corruption and maladministration generated from surveys. • Data from concluded matters to develop improvement plans (for clients). • Recorded allegations received electronically in a central location to facilitate ease of tracking. • Develop and implement a comprehensive strategy on data analytics. • Access for the Assessment Committee to duly undertake assessment of all centrally registered allegations.

2. PERFORMANCE INFORMATION

2.1. Budget Programme Structure

The SIU budget programme structure comprises of three programmes as set out 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 Resources: Human resource planning and provisioning services
- Information and Communication Technology: Provision of information communication and technology management services.
- Enablement Services: Stakeholder Relations and Communications, Strategy Planning, Monitoring and Reporting, Corporate Governance, Corporate Legal and the Office of the Head of Unit (HOU) services.
- Assurance: Internal Audit, Risk Management and Internal Integrity Services.

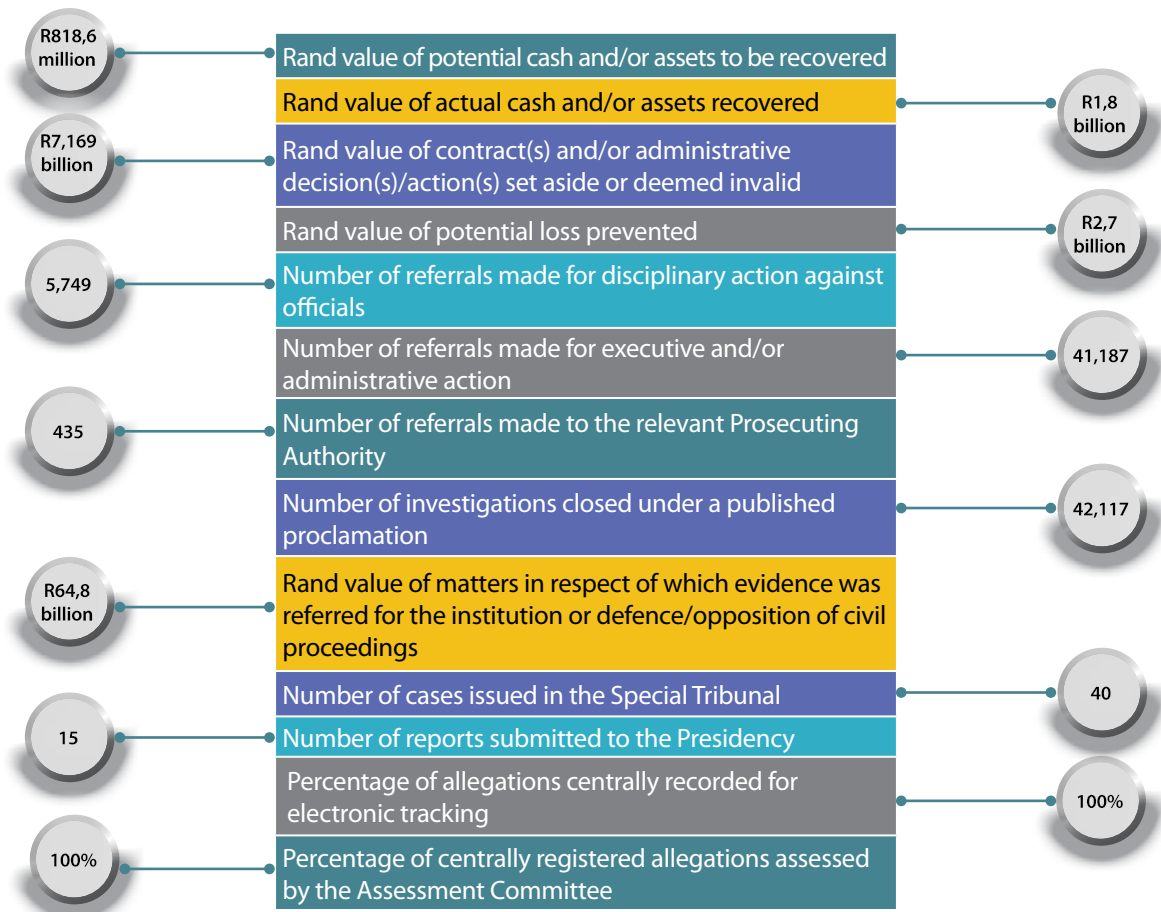
Programme 2 comprises of the following sub-programmes:

- 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: To provide business oversight and enablement services to the core business units of the SIU

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
Outcome 1: A compliant, high-performance SIU that is well capacitated to rid society of corruption, maladministration and fraud in State institutions.	Good governance and controls environment for positive audit outcomes.	1.1 Maintain an unqualified overall AG audit outcome on previous year's performance.	Clean audit	Unqualified audit	Unqualified audit	Outcome of the 2019/20 external audit is a clean audit and unqualified audit opinion.	N/A	N/A

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
	Risk management measures to improve high levels of risk maturity.	1.2 Maintain SIU's risk maturity Level 5 in accordance with the following National Treasury ERM Maturity rating system: Level 1: Start-up Level 2: Development Level 3: Control Level 4: Information Level 5: Managed Level 6: Optimising.	Level 4.6	Level 5	Level 5	Level 5	N/A	N/A
	Prescribed SIU annual plans to provide strategic support and ensure compliance.	1.3 Submission of 2020/21 APP to Minister of Justice & Correctional Services as per prescribed timeframe.	Submission of 2020 – 2024 Strategic Plan and 2020/21 APP submitted to the Justice Ministry by 31 January 2020.		2021/22 APP submitted to Minister of Justice & Correctional Services no later than 31 January 2021.	2021/22 APP submitted to Minister of Justice & Correctional Services by 29 January 2021.	N/A	N/A

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
Outcome 1 continued	Filled vacancies of funded key SIU positions.	1.4 Percentage of vacancies in funded posts.	-	23%	14%	Target not achieved 15.2%	1.2%	There were delays experienced with discussions with Labour. Recruitment process for filling of key positions is underway and advertising of more positions to commence in the first quarter of the 2021/22 financial year.
	Standard performance management system in place.	1.5 Percentage implementation of performance management system.	-	0%	100%	Target not achieved. 1.8% Performance Agreements for 2020/21 FY for Executives were completed and signed off.	98.2%	Management was unable to reach agreement with Labour to sign off on the Policy and procedures. A commitment was reached by both parties to sign off in the 2nd quarter of the 2021/22 FY.

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
	SIU stakeholders managed through outcomes of biennial stakeholder perception surveys.	1.6 Percentage implementation of the 2018/19 stakeholder survey recommendations.	-	-	60% implementation of approved intervention plan recommendations from findings.	Target not achieved 52% implementation of the recommendations in the survey was completed.	8%	Some of the planned activities could not be completed due to processes that involve third-party reliance. In addition, some of the activities and actions in the recommendations are on-going processes. Progress of the non-achieved actions will continue to be monitored at an operational plan level.

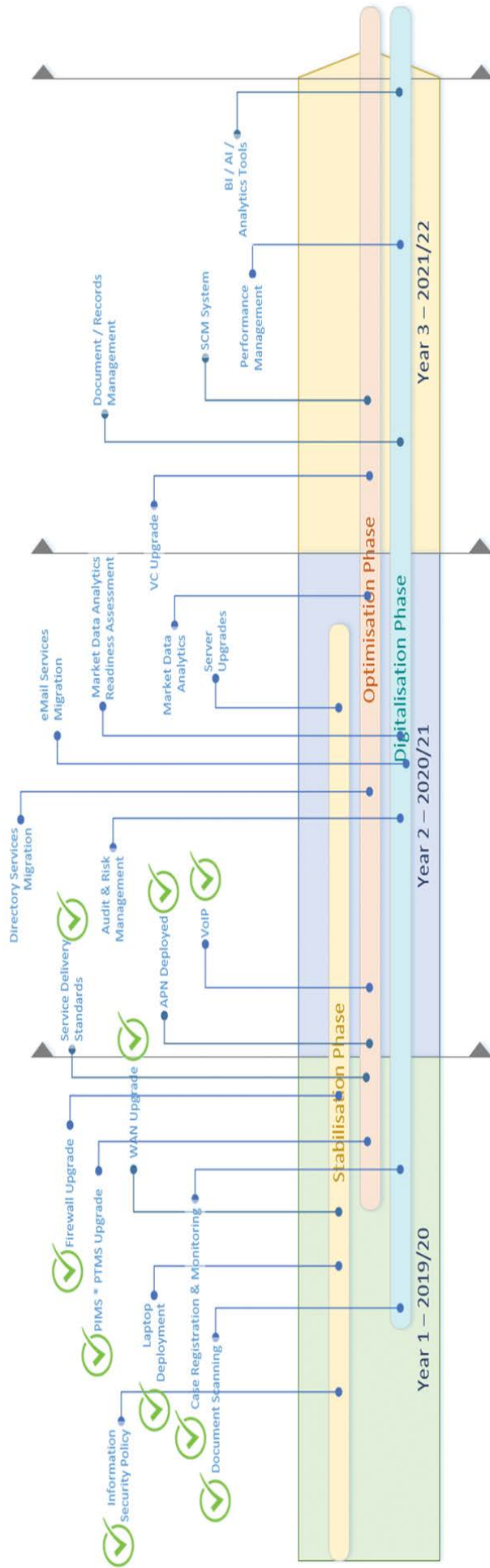
Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
	Develop and deploy a plan to leverage technology to create a globally competitive high-performance organisation.	1.7 Percentage implementation of an approved ICT Plan.	<p>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. The planning of the renewal of the WAN and mobile data connection services had also been completed by 31 March 2019.</p>	31% (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).	80%	Target not achieved. 0%	80%	The ICT implementation plan was revised but not approved. The revised ICT Implementation plan has since been approved in April 2021 and performance will be reported at an operational level in the first quarter of 2021/22 FY.

Considering the ever-changing landscape in the fight against corruption in the country, it was evident that the SIU urgently needed to be capacitated with the most needed skills and had to accelerate the resourcing process to improve its capacity to adequately execute on the SIU mandate. Alternative methods were used for filling vacancies timely for both permanent and Fixed-Term Contracts.

The SIU continues to pride itself in good governance and maintaining a sound internal control environment, and this is evident in the consistent favorable clean audit outcomes the SIU continued to achieve and maintain for 5 consecutive years. Generally, the SIU's financial state of affairs are very positive, despite challenges in the recovery of its debt that it has invoiced for investigations and related services performed.

The Information and Communication Technology Division (ICT), a strategic partner and enabler of the SIU new operating model and value chain embarked on a fast-track programme to overhaul the SIU's technology platform and capabilities. The ICT Strategy consists of multiple projects focused on Stabilisation of the infrastructure environment, Optimisation of processes removing duplication on systems and finally the Digitisation of the SIU operations. A major overhaul of the SIU's Wide Area Network (WAN), to a high-speed, high-capacity fibre network enabling next generation Voice over IP, Unified Communications and Collaboration was completed in 2020. All internal applications were migrated to secure platforms to enable secure encrypted access to SIU systems. Furthermore, a highly successful "work from anywhere" capability was implemented to allow the SIU to continue its valuable work fulfilling its mandate during the "lockdown" periods.

ICT Roadmap with Milestones



PROGRAMME 2: INVESTIGATIONS AND LEGAL COUNSEL

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

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
<p>Outcome 2: State assets and cash resources are protected from maladministration, fraud and corruption for the realisation of full value for money for State programmes.</p>	<p>Civil and other legal proceedings to recover cash assets and set aside contracts and administrative actions that are deemed to be invalid.</p>	<p>2.1 Rand value of potential cash and/or assets to be recovered.</p>	<p>R 33,430,405</p>	<p>R296,943,069</p>	<p>R148m</p>	<p>R818,620,834</p>	<p>R670,620,834</p>	<p>The over-achievement resulted from:</p> <ol style="list-style-type: none"> 1. Recommendations that have been made to State institutions in relation to the R23 of 2020 investigation to prevent payments from being made until the investigations are finalised and acknowledgement of debt documents signed. 2. Asset Forfeiture Unit (AFU) order obtained in respect of the Free State Department of Human Settlements investigation, R39 of 2019.

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
		2.2 Rand value of actual cash and/or assets recovered.	R103,401,708	R48,650,657	R60m	R1,802,674,333	R1,742,674,333	The over-achievement resulted from a settlement agreement that was reached between Eskom and a contractor based on the SIU investigation.
		2.3 Rand value of contact(s) and/or administrative decision(s)/ action(s) set aside or deemed invalid.	R999m	R4,330,000,000	R900m	R7,168,839,605	R6,268,839,605	The over-achievement resulted from a contract that was cancelled between Eskom and a contractor based on the SIU investigation.
		2.4 Rand value of potential loss prevented.	R53,4m	R400,000,000	R300m	R2,783,993,149	R2,483,993,149	The over-achievement resulted from a contract that was cancelled between Eskom and a contractor based on the SIU investigation.

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
Outcome 3: Confidence in the governance systems, structures and policies of the State is restored and maintained.	Legal proceedings and other due processes to conclude investigations refer investigations for necessary action and submit mandatory status reports to the President.	3.1 Number of referrals made for disciplinary action against officials.	95	398	150	5,749	5,599	The over-achievement resulted from the finalisation of referrals in the Eskom investigation under proclamation R11 of 2018 following a significant number of conflicts of interests identified.
			240	240	100	41,187	41,087	
		3.2 Number of referrals made for executive and/or administrative action.						

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
		3.3 Number of referrals made to the relevant Prosecuting Authority.	331	451	200	435	235	The over-achievement resulted from the finalisation of all referrals in respect of matters being investigated under R23 of 2020 which had a deadline date of 31 March 2021 for the finalisation of matters under this proclamation.
		3.4 Number of investigations closed under a published proclamation.	3,430	2,000	1,400	42,117	40,717	The over-achievement results from the finalisation of referrals in the National Department of Transport investigation under proclamation R37 of 2017.

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
		3.5 Rand value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings.	R7,9bn	R2,165,707,065	R1.6bn	R64,788,741,548	R63,188,741,548	The over-achievement resulted from a matter that was instituted in the High Court to the value of R54 billion.
		3.6 Number of cases issued in the Special Tribunal.	-	-	20	40	20	A significant number of cases served in the Special Tribunal during the period under review.
		3.7 Number of reports submitted to the Presidency.	20	19	15	15	N/A	N/A

The SIU implemented a new Strategy, a new Operating Model and new Business Value Chain to improve on its performance and the main focus was to improve the turnaround times and the quality of the SIU Investigations. The successful execution of the new strategy is evident in the performance results included in this Annual Report.

During the reporting period, the SIU was issued with nine (9) proclamations. One of the proclamations issued relate to the investigation of the Covid-19 procurement irregularities. The proclamation covers all the state institutions (National and provincial Departments, Local Government and State Owned Entities). The average year on year increase of proclamations from 2016/17 to 2021/22 is 105%.

Over and above the nine issued proclamations, the SIU was conducting investigation into 65 state institutions. They are categorised as follow:

- 22 National
- 21 Provincial
- 16 Local Government
- 6 State Owned Entities

PROGRAMME 3: MARKET DATA ANALYTICS AND PREVENTION

PURPOSE: The implementation of 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.

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
Outcome 4: Corruption, maladministration and fraud deterred through proactive preventative mechanisms and effective enforcement of consequence. Management measures.	Awareness campaigns targeted at specific audiences.	4.1 Number of targeted awareness campaigns conducted.	No targeted awareness campaign was conducted.	3 awareness campaigns conducted with NDPW, IH Harris Primary School and EC DoT.	1	Two virtual anti-corruption campaigns were conducted for: Kokstad Municipality and Department of Sports and Recreation.	1	More requests/ invitations from stakeholders for the awareness sessions were received.
	Insights on corruption and maladministration generated from surveys.	4.2 Number of annual trend reports generated.	4	2	1	Target not achieved. No trend report developed. However, the following activities were executed: - Tender was advertised. BEC convened, recommended a preferred service provider and a report was produced.	1	There were delays experienced in appointing a service provider. Trend Report will be issued in the 2021/22 financial year.

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
	Data from concluded matters to develop improvement plans (for clients).	4.3 Number of systemic improvement plans developed in conjunction with targeted State institutions or sectors.	No systemic improvement plan was developed.	1 improvement plan developed with DPW (Prestige unit).	1	One (1) systemic improvement plan was developed for PSETA	0	N/A
	Recorded allegations received electronically in a central location to facilitate ease of tracking.	4.4 Percentage of allegations centrally recorded for electronic tracking.	97%	100%	100%	100%	0%	N/A

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
	Develop and implement a comprehensive strategy on data analytics.	4.5 Establishment and development of data analytics capability.	-	-	Programme design developed.	Target not achieved. Programme design was not developed. However, the following activities were undertaken: RFP was completed, however following the advice from the ICT Committee that a readiness assessment be conducted; the issuing of the tender advertisement by SCM was put on hold.	Programme design was not developed.	The ICT Committee advised that a process to conduct the feasibility study to assess the SIU readiness to host MDA solution should first be done. This affected the process of procuring a service provider to put programme design in place for the establishment of the Data analytics capability. The establishment of the data analytics capability will commence after the readiness assessment has been completed in the first quarter of the 2021/22 FY.

Outcome	Output	Output Indicator	Previous Financial Years Actual Achievement		Financial Year Under Review		Deviation from Planned Target to Actual Achievement	Comment on Deviation
			2018/19	2019/20	Planned Target 2020/21	Actual Achievement 2020/21		
	Access for the Assessment Committee to duly undertake assessment of all centrally registered allegations.	4.6 Percentage of centrally registered allegations assessed by the Assessment Committee.	100%	100%	100%	100%	0%	N/A

Programme 3: Narrative

A further focus for the SIU was the revision of its operating model and introduction of a new value chain which sought to chart new territory in the areas of awareness and outreach, market data analytics and advisory services and notable strides have been made in these areas.

The SIU monitors the implementation of recommendations made to State institutions for purposes of consequence management through collaborative efforts with the Presidency and the Auditor-General of South Africa (AGSA). The President releases final reports of the SIU to the AGSA upon request and the AGSA then includes the SIU's recommendations as part of its audit plans at the relevant State institutions.

Strategic alliances have been forged with sector role-players in the health, local government and infrastructure build environments through the establishment of the Health Sector Anti-Corruption Forum (HSACF), Local Government Anti-Corruption Forum and Infrastructure Build Anti-Corruption Forum (IBACF).

The above fora are important to enable to implementation of the whole society approach to the fight against corruption.

The further importance of such fora is that a centralised multi-agency and multi-disciplinary approach is adopted in dealing with allegations pertaining to these sectors. The benefit of this is that it allows for the optimal use of resources in preventing and combatting maladministration, malpractice and corruption.

Of particular importance is the following: as part of its strategic objectives, the SIU continues to aim to proactively influence the systemic and behavioural root causes of maladministration and corruption by directing internal and influencing external strategic decision making processes through data analysis.

This analysis identifies sector risk factors and allows the SIU to advise and report on possible systemic improvements to avoid recurring cases of fraud and corruption.

The output of the analysis are trend, scenario and gap analyses reports which are underpinned by the necessary research.

Such reports have culminated in the SIU successfully conducting a number of targeted awareness campaigns at state institutions. Additionally, a number of webinars dealing with anti-corruption prevention, advisory and awareness measures, have been held under the auspices of the HSACF.

A predictive modelling initiative is also underway with the IBACF. Through this initiative, the SIU intends directing strategic decision making processes and driving prevention activities in the infrastructure build environment sector through data analytics.

Consequently, the SIU intends to publish sector data intelligence; and, through the SIU's prevention, advisory and awareness capacity, advise stakeholders on systemic measures to implement so as to pro-actively identify and prevent the recurrence of maladministration, fraud and/or corruption.

In summary, Programme 3 is part of the SIU's three-pronged strategy (investigation, prevention and education) for preventing and combatting maladministration and corruption.

Whereas Programme 2 focuses on investigation and the civil recovery of losses, Programme 3 complements such functions by generating recommendations for systemic safeguards and internal controls as well as educating state institutions and members of the public about anti-corruption measures in order to elicit support in the fight against maladministration, malpractices and corruption.

2.4 Programme 2 Detailed Performance Information with narrative and comparison of 2019/20 vs 2020/21

Performance Measure	SIU Annual Performance Information for the period 1 April 2020 to 31 March 2021		Value	Narrative	
	2019/20	2020/21		Proc No	Proc Name
Rand value of potential cash and/or assets to be recovered.	Target	R140, 000 000*	R3, 000, 000	R598 of 2015 R17 of 2016	ECP DoE
	Actual	R296, 943, 069	R818, 620, 834	R29 of 2017 R19 of 2018 R37 of 2017 R11 of 2018 R20 of 2018 R21 of 2018 R33 of 2019 R27 of 2018 R44 of 2019 R23 of 2019 R22 of 2016 R27 of 2019 R32 of 2019 R57 of 2019 R39 of 2019 R41 of 2019 R58 of 2019 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020 R23 of 2020	SABC NDoT Transnet NDPWI DOJOSA NDWAS HPCSA Lepale Northern Water (LNW) Denel SOC Ltd FSP DHS Department of Defence and Military Veterans uMgungundlovu District Municipality ECP DoH ECP DoE FSP Provincial Treasury Gauteng DoH City of Johannesburg TCMM KZN DoE KZN DSD Limpopo (CoGHSTA)

SIU Annual Performance Information for the period 1 April 2020 to 31 March 2021						
Performance Measure	2019/20	2020/21	Value	Narrative		
				Proc No	Proc Name	
			R175,600	R23 of 2020	Mpumalanga (MPU) DoH	
			R76,090	R23 of 2020	MPU DSD	
			R14,823,019	R23 of 2020	MPU DoE	
			R102,120	R23 of 2020	Govan Mbeki Local Municipality	
			R1,064,440	R23 of 2020	North-West (NWP) DoH	
			R43,500	R23 of 2020	NWP DoE	
			R80,000	R23 of 2020	Matzikama Local Municipality	
Rand value of actual cash and/or assets to be recovered.	Target	See note *	R60,000,000	SIU AOD Department		
	Actual	R48,650,657	R1,802,674,333	R37 of 2017	NDoT	
			R18,460,020	R11 of 2018	Transnet	
			R1,721,792,341	R11 of 2018	Eskom SOC Ltd (Eskom)	
			R1,900,050	R3 of 2020		
			R24,062,770	R58 of 2019	uMgungundlovu District Municipality	
			R3,544,663	R23 of 2020	Gauteng DoH	
Rand value of contract(s) and/or administrative decision(s)/action(s) set aside or deemed invalid.	Target	R800,000,000	R900,000,000	R59 of 2014	NDPWI	
	Actual	R4,330,000,000	R7,168,839,605	R598 of 2015	ECP DoE	
			R7,033,454	R17 of 2016		
			R6,955,200,000	R29 of 2017	SABC	
			R4,800,000	R19 of 2018		
			R139,000,000	R11 of 2018	Eskom	
				R23 of 2020	KZN DSD	
				R23 of 2020	Gauteng DoH	

SIU Annual Performance Information for the period 1 April 2020 to 31 March 2021					
Performance Measure	2019/20	2020/21	Narrative		
			Value	Proc No	Proc Name
Rand value of potential loss prevented.	Target R30,000,000	R300,000,000	R2,684,361,307	R11 of 2018	Eskom
	Actual R400,000,000	R2,783,993,149	R99,631,842	R23 of 2020	Gauteng DoH
SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020					
Performance Measure	2019/20	2020/21	Narrative		
			No	Proc No	Proc Name
The number of referrals made for disciplinary action against officials.	Target 100**	150	1	R21 of 2010	Gauteng DoH
	Actual 638	5,749	3	R8 of 2017 R15 of 2018 R16 of 2019	Mopani District Municipality
			1	R24 of 2017	Department of Rural Development and Land Reform (DRDLR)
			1	R25 of 2017	Lesedi Local Municipality
			4	R30 of 2017 R45 of 2019	KZN Provincial Treasury
			9	R37 of 2017	NDoT
			10	R7 of 2018	Elias Motsoaledi Local Municipality
			9	R10 of 2018	KZN Department of Correctional Services (DCS)
			1	R11 of 2018	Transnet
			5,540	R11 of 2018 R3 of 2020	Eskom
			25	R12 of 2018 R179 of 2021	Roads Agency Limpopo Limited (LIMRAL)
			5	R16 of 2018 R25 of 2018	MICT SETA
			1	R20 of 2018	NDPWI
			2	R21 of 2018	DOJOSA

SIU Annual Performance Information for the period 1 April 2020 to 31 March 2021			
Performance Measure	2019/20	2020/21	Narrative
			1 NDWAS
			R27 of 2018
			R44 of 2019
			11 KZN DoT
			R36 of 2018
			20 HPCSA
			R23 of 2019
			5 NDWAS
			R28 of 2019
			1 Council for Medical Schemes (CMS)
			R29 of 2019
			1 Madibeng Local Municipality
			R35 of 2019
			11 uMgungundlovu District Municipality
			R58 of 2019
			1 DOJ and Constitutional Development in the Masters Office and the Office of the Chief Master (DOJ Masters Office)
			R7 of 2020
			1 ECP DoH
			R23 of 2020
			3 OR Tambo District Municipality
			R23 of 2020
			1 Nelson Mandela Bay Metropolitan Municipality
			R23 of 2020
			2 Amatola Water Board
			R23 of 2020
			1 FSP DHS
			R23 of 2020
			1 FSP Provincial Treasury
			R23 of 2020
			10 Gauteng DoH
			R23 of 2020
			5 City of Johannesburg
			R23 of 2020
			2 TCM
			R23 of 2020
			13 KZN DoE
			R23 of 2020
			5 Sekhukhune District Municipality
			R23 of 2020
			6 MPU DoH
			R23 of 2020
			3 MPU Economic Growth Agency (MEGA)
			R23 of 2020
			4 MPU Department of Sports, Culture and Recreation (MSCR)
			R23 of 2020
			7 National Department of Employment and Labour (NDEL)
			R23 of 2020
			4 National DCS (NDCS)
			R23 of 2020

SIU Annual Performance Information for the period 1 April 2020 to 31 March 2021					
Performance Measure	2019/20	2020/21	Narrative		
			Value	Proc No	
			8	R23 of 2020	National Health Laboratory Services (NHLS)
			2	R23 of 2020	NWP DoE
			3	R23 of 2020	JB Marks Local Municipality
			2	R23 of 2020	Ratlou Local Municipality
			1	R23 of 2020	NWP DoH
			1	R23 of 2020	National Department of Agriculture, Forestry and Fisheries (NDAFF)
			1	R23 of 2020	Matzikama Local Municipality
			4	R19 of 2016	Construction Industry Development Board (CIDB)
The number of referrals made for executive and/or administrative action.	Target	100			
	Actual	41, 187	2	R8 of 2017 R15 of 2018 R16 of 2019	Mopani District Municipality
			40, 900	R37 of 2017	NDoT
			4	R7 of 2018	Elias Motsoaledi Local Municipality
			50	R11 of 2018	Transnet
			99	R11 of 2018 R3 of 2020	Eskom
			4	R12 of 2018 R179 of 2021	LIMRAL
			35	R16 of 2018 R25 of 2018	MICT SETA
			1	R20 of 2018	NDPWI
			2	R21 of 2018	DOJ OSA
			1	R23 of 2020	ECP DoH
			40	R23 of 2020	Gauteng DoH
			7	R23 of 2020	Ethekewini Metropolitan Municipality
			2	R23 of 2020	KwaDukuza Local Municipality
			2	R23 of 2020	LIM CoGHSTA

SIU Annual Performance Information for the period 1 April 2020 to 31 March 2021					
Performance Measure	2019/20	2020/21	Narrative		
			Value	Proc No	Proc Name
				R23 of 2020	LIM DoH
			31	R23 of 2020	South African National Defence Force (SANDF)
			2	R23 of 2020	JB Marks Local Municipality
			1	R23 of 2020	
SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020					
Performance Measure	2019/20	2020/21	Narrative		
			No / Value	Proc No	Proc Name
The number of referrals made to the relevant Prosecuting Authority.	Target	75	200	R7 of 2014 R599 of 2015 R32 of 2017	DRDLR and the State Information Technology Agency (SITA)
	Actual	451	435	R59 of 2014	NDPWI
				R19 of 2016	Construction Industry Development Board (CIDB)
			15	R8 of 2017 R15 of 2018 R16 of 2019	Mopani District Municipality
			2	R29 of 2017 R19 of 2018	SABC
			2	R30 of 2017 R45 of 2019	KZN Provincial Treasury
			2	R7 of 2018	Elias Motsoaledi Local Municipality
			2	R11 of 2018	Transnet
			22	R11 of 2018 R3 of 2020	Eskom
			12	R12 of 2018 R179 of 2021	LIMRAL
			3	R13 of 2018	EC Institutions (Nelson Mandela Funeral)

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020				
Performance Measure	2019/20	2020/21	Narrative	
			No / Value	Proc No Proc Name
			70	R16 of 2018 R25 of 2018 MICT SETA
			76	R20 of 2018 NDPWI
			5	R21 of 2018 DOJ OSA
			1	R36 of 2018 KZN DoT
			90	R4 of 2019 Umgeni Water
			22	R23 of 2019 HPCSA
			4	R58 of 2019 uMgungundlovu District Municipality
			8	R7 of 2020 DOJ Masters Office
			3	R23 of 2020 ECP DoH
			3	R23 of 2020 OR Tambo District Municipality
			1	R23 of 2020 FSP DHS
			6	R23 of 2020 FSP Provincial Treasury
			19	R23 of 2020 Gauteng DoH
			55	R23 of 2020 City of Johannesburg
			15	R23 of 2020 KZN DoE
			2	R23 of 2020 KZN DSD
			2	R23 of 2020 Sekhukhune District Municipality
			2	R23 of 2020 LIM CoGHSTA
			7	R23 of 2020 NDPWI
			11	R23 of 2020 NHLS
			1	R23 of 2020 SANDF
			1	R23 of 2020 JB Marks Local Municipality
			1	R23 of 2020 Ratlou Local Municipality
			1	R23 of 2020 NWP DoH
			2	R23 of 2020 NDAFF

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020						
Performance Measure	Target	2020/21		Narrative		
		2019/20	2020/21	No / Value	Proc No	Proc Name
The number of investigations closed out under a published proclamation.	Target	1,300	1,400	14	R7 of 2014 R599 of 2015 R32 of 2017	DRDLR and the SITA
	Actual	2,000	42,117	23	R19 of 2016	CIDB
				74	R8 of 2017	Mopani District Municipality
					R15 of 2018	
					R16 of 2019	
				5	R29 of 2017 R19 of 2018	SABC
				40.932	R37 of 2017	NDoT
				294	R11 of 2018	Transnet
				8	R12 of 2018	LIMRAL
					R179 of 2021	
				4	R13 of 2018	EC Institutions (Nelson Mandela Funeral)
				40	R16 of 2018	MICT SETA
					R25 of 2018	
				35	R20 of 2018	NDPWI
				56	R21 of 2018	DOJ OSA
				1	R18 of 2019	NHLS
				120	R23 of 2019	HPCSA
				3	R29 of 2019	CMS
				2	R37 of 2019	SASSA
				5	R58 of 2019	uMgungundlovu District Municipality
				1	R2 of 2020	South African Airways (SAA)
				78	R7 of 2020	DOJ Masters Office
				24	R23 of 2020	ECP DoH
				2	R23 of 2020	NMBMM
				2	R23 of 2020	ECP DEL
				8	R23 of 2020	ECP DPWI
				7	R23 of 2020	FSP Provincial Treasury

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020					
Performance Measure	2019/20	2020/21	Narrative		
			No / Value	Proc No	
			1	R23 of 2020	FSP South African Police Services (SAPS)
			33	R23 of 2020	Gauteng DoH
			2	R23 of 2020	TCMM
			2	R23 of 2020	SAPS
			84	R23 of 2020	KZN DoE
			20	R23 of 2020	KZN DSD
			1	R23 of 2020	KZN DoH
			2	R23 of 2020	KZN DoT
			45	R23 of 2020	eThekweni Metropolitan Municipality
			63	R23 of 2020	KwaDukuza Local Municipality
			15	R23 of 2020	uMngeni Local Municipality
			10	R23 of 2020	KZN Office of the Premier (OTP)
			8	R23 of 2020	MPU OTP
			2	R23 of 2020	MPU Tourism and Parks Agency
			7	R23 of 2020	MPU Provincial Treasury
			7	R23 of 2020	MPU DoE
			7	R23 of 2020	Govan Mbeki Local Municipality
			2	R23 of 2020	NDCS
			3	R23 of 2020	NWP DoH
			2	R23 of 2020	NWP DoE
			50	R23 of 2020	NWP DSD
			2	R23 of 2020	JB Marks Local Municipality
			1	R23 of 2020	Western Cape (WCP) OTP
			1	R23 of 2020	WCP DoE
			1	R23 of 2020	WCP DoT
			1	R23 of 2020	WCP DoH

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020					
Performance Measure	2019/20	2020/21	Narrative		
			No / Value	Proc No	
			1	R23 of 2020	Department of Environmental Affairs and Development Planning
			1	R23 of 2020	Mossel Bay Local Municipality
			1	R23 of 2020	Langeberg Local Municipality
			1	R23 of 2020	Saldanha Bay Local Municipality
			1	R23 of 2020	Hessequa Local Municipality
			1	R23 of 2020	Kareeberg Local Municipality
			1	R23 of 2020	Laingsburg Local Municipality
			R25, 904, 577	R10 of 2014	Department of Communications
Rand value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings.					
			Target		
			R1, 500, 000, 000	R1, 600, 000, 000	
			Actual		
			R2, 165, 707, 069	R64, 788, 741, 548	
			R19, 802, 682	R59 of 2014	NDPWI
			R1, 900, 000 000	R22 of 2016 R27 of 2019	Lepalele Northern Water (LNW)
			R1, 129, 307	R23 of 2017 R6 of 2019	Gauteng DoH (Mental Health Care facilities)
			R3, 924, 154	R24 of 2017	DRDLR
			R2, 425, 000	R29 of 2017 R19 of 2018	SABC
			R450, 000	R35 of 2017	PSETA Authority (PSETA)
			R34, 857, 863	R9 of 2018	Mbhashe Local Municipality
			R54, 518, 306, 000	R11 of 2018	Transnet
			R3, 849, 077, 169	R11 of 2018 R3 of 2020	Eskom
			R5, 372, 606	R21 of 2018	DOJ OSA

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020				
Performance Measure	2019/20	2020/21	Narrative	
			No / Value	Proc No Proc Name
			R1, 134, 946, 638	R27 of 2018 R44 of 2019 NDWAS
			R2, 676, 384,270	R36 of 2018 KZN DoT
			R64, 701, 653	R7 of 2019 Moretele Local Municipality
			R361, 845, 184	R35 of 2019 Madibeng Local Municipality
			R4, 857, 600	R23 of 2020 OR Tambo District Municipality
			R39, 150, 740	R23 of 2020 FSP Provincial Treasury
			R56, 629, 684	R23 of 2020 Gauteng DoH
			R20, 367, 000	R23 of 2020 KZN DSD
			R11, 500, 000	R23 of 2020 National Department of Agriculture and Land Reform
			R23, 662, 883	R23 of 2020 NDPWI
			R30, 000, 000	R23 of 2020 NWP DoH
			R2, 796,, 537	R23 of 2020 JB Marks Local Municipality
			R650, 000	R23 of 2020 Matzikama Local Municipality
The number of cases issued in the Special Tribunal.	Target	20	R34m	EC/03/20 SIU v Mbashe Local Mun, Kwane and 1 other
	Actual	40	R 285 million	GP/04/20 SIU v SAP
			R 18 million	GP/03/20 SIU v Transnet (Preservation)
			R 38 million	GP/07/20 SIU v Ledla Structural Development (pty)Ltd et al
			R 1, 450, 000.00	GP08/2020 SIU v Pandalani Inv Holdings
			R19 million	GP06/2020/ GP09/20 SIU v Baithusi Trading
			R190 million	NW10/2020 SIU v Madibeng Municipality

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020			
Performance Measure	2019/20	2020/21	Narrative
	No / Value	Proc No	
	R18m	GP05/2020	SIU v Msagala + 6 Others
	R23,662,883	GP12/2020	SIU v Caledon River Properties
	R2.2bn	GP10/2020	SIU v Legodi
	R1,9 bn	LP01/2020	SIU v Legodi (Summons)
	R21,819,878.28	GP13/2020	SIU v Caledon River Properties (Summons)
	R43,532,709	GP11/2020	SIU v Lehloenyane (Summons)
	R737,605.65	GP14/2020	SIU v Cartwright (application)
	R4,4 million	GP15/2020	SIU v Nosipho Zibane (Application)
	R4,105,197.09	EC05/2020	SIU v Sinazo Mgwagga
	R6,708,000	KN02/2020	SIU v Gibela
	R4,899.00	KN01/2020	SIU v Rosette Investments
	R4,857,600	EC06/2020	SIU v Phathilizwe Training (Door-to-Door)
	R3,960,000.00	KN03/2020	SIU v LNA Communications (Pty) Ltd
	R737,605.65	GP16/2020	SIU v Paul Cartwright (Summons)
	R21,819,878.28	GP17/2020	SIU v Caledon (new matter)
	R4,800,000.00	KN04/20	SIU v Zain Brothers
	R11,500,000.00	GP20/2020	SIU v J.B Hlatshwayo (Black dot)
	R39,150,739.60	FS/01/2020	SIU v MEC for Treasury in Free State and 31 others
	R737,605.65	GP18/2020	SIU v Paul Cartwright (new application)
	R100,000.00	GP19/2020	SIU v Modiko Thabang and another

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020					
Performance Measure	2019/20		2020/21		Narrative
			No / Value	Proc No	
			R6, 597, 560	GP07/2021	SIU v Mlangeni Brothers Invents CC
			R228, 299.19	GP06/2021	SIU v Santa Kamogelo Attridgeville
			R222, 025.53	GP02/2021	SIU v Lapeng Home for the Aged Centre
			R317, 589.53	GP03/2021	SIU v Lapeng Home for the Aged Centre
			R224, 802.93	GP04/2021	SIU v Mosego Home and 2 Others
			R2, 400, 000.00	GP01/2021	SIU v Motsoeneng (Werksmans Attorneys)
			R64, 701, 653.04	NW11/2020	SIU v Moretele Mun
			R30, 000, 000.00	NW12/2020	SIU v Lekalakala
			R10, 000, 000.00	EC04/2020	SIU v MEC Health EC (Scooters)
			R358, 615.00	GP05/21	SIU v Odirile Centre
			R2.7m	GP19/2020	SIU v Modiko Thabang and another (Selemale)
			R11 500 000.00	GP20/2020	SIU v J.B Hlatshwayo (Black dot)
			R69, 000, 000.00	KN 01/2021	SIU v MEC Transport & Nexor
				R53 of 2014 R15 of 2015	SITA
The number of reports submitted to the Presidency.	Target	13		15	
	Actual	19		15	
				R54 of 2014 R44 of 2015	NDPWI: WCP Prestige
				R55 of 2014	Department of Labour and the Compensation Fund
				R19 of 2016	CIDB
				R18 of 2017	Thabazimbi Local Municipality

SIU Annual Performance Information for the period 1 April 2019 to 31 March 2020				
Performance Measure	2019/20	2020/21	Narrative	
	No / Value	No / Value	Proc No	Proc Name
	1		R19 of 2017	Alfred Nzo District Municipality
	1		R23 of 2017 R6 of 2019	Gauteng DoH (Mental Health Care facilities)
	1		R4 of 2018	AGRISETA
	1		R9 of 2018	Mbhashe Local Municipality
	1		R10 of 2018	KZN DCS
	1		R7 of 2019	Moretele Local Municipality
	4		R23 of 2020	Covid-19 Procurement

Note *In the previous financial year the Rand value of potential cash or assets to be recovered and the Rand value of the actual cash and/or assets to be recovered were one indicator.

Note ** In the previous financial year the number of referrals for disciplinary action against officials included the number of referrals made for executive and/or administrative action.

3. PROCLAMATIONS

3.1. Proclamations issued during the period under review

Proclamation No: R23 of 2020**Dated: 23 July 2020****Government Gazette No: 43546****State Institutions – Covid-19 Procurement**

1. The procurement of, or contracting for goods, works and services, including the construction, refurbishment, leasing, occupation and use of immovable property, during, or in respect of the National State of Disaster, as declared by Government Notice No 313 of 15 March 2020, by or on behalf of the State institutions, and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the State institutions or the State.
2. Any improper or unlawful conduct by the officials or the employees of the State institutions or any other person, in relation to the allegations set out in paragraph 1 of this schedule, including the causes of such improper or unlawful conduct and any loss, damage or actual or potential prejudice suffered by the State institutions or the State.

Proclamation No: R27 of 2020**Dated: 21 August 2020****Government Gazette No:43633****Name of Institution: Maluti-a-Phofung Local Municipality Free State Province**

1. The procurement of or contracting for services by or on behalf of the Municipality and payments made in respect thereof in a manner and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in respect of bids SCM/BID27/2014/15 for events management services and SCM/BID42/2016/17 for the compilation of a Register of Indigents.
2. Maladministration in connection with the affairs of the Municipality in respect of the incurrence by the Municipality of fruitless and wasteful expenditure during the periods 2012 to 2014 and 2016 to 2017.
3. Any unlawful or improper conduct by a) officials or employees of the Municipality; b) the applicable service providers of the Municipality; or c) any other person or entity, in relation to the allegations set out in paragraphs 1 and 2 of the schedule to the Proclamation.

Proclamation No: R29 of 2020**Dated: 3 September 2020****Government Gazette No: 43681****Name of Institution: Free State Province Department of Health (FSP DoH) and North-West Province Department of Health (NWP DoH)**

This proclamation extends Proclamation R42 of 2019. It extends the period of investigation to the date of this proclamation. It also replaces paragraph 1 with the following:

1. The procurement of or contracting for:
 - b. 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;
 - c. patient transport services by or on behalf of the NWDOH in terms of bid number NWDOH13/2015;
 - d. primary health care services by or on behalf of the NWDOH in terms of bid number FSDOH24/15/16;
 - e. and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the FSDOH, the NWDOH or the State

Proclamation No: R32 of 2020**Dated: 6 November 2020****Government Gazette No: 43885****Name of Institution: National Lotteries Commission (NLC)**

1. Maladministration in the affairs of the NLC in relation to the a) investment of funds in the National Lottery Distribution Trust Fund, established in terms of Section 21 of the Lotteries Act, 1997 (Act 57 of 1997), contrary to the provisions of the said Act; and b) allocation of money in the Fund referred to in paragraph (a) to beneficiaries who were not entitled thereto in terms of the Lotteries Act 1997, including the causes of such maladministration.
2. Any improper or unlawful conduct by the officials or employees of the NLC, or any other person or entity, in relation to the allegations set out in paragraph 1 of this schedule, including the causes of such improper or unlawful conduct and any losses, damage or actual or potential prejudice suffered by the NLC or the State.

Proclamation No: R39 of 2020**Dated: 24 December 2020****Government Gazette No: 44029****Name of Institution: Saldanha Bay Municipality**

1. The procurement of or contracting for security services by or on behalf of the Municipality in terms of bid number SBM 45/17/18 and payments made in respect and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the State or the Municipality.
2. Any unlawful or improper conduct by the officials or employees of the Municipality or the service provider in question, or any other person or entity, in relation to the allegations set out in paragraph 1 of this schedule.

Proclamation No: R40 of 2020**Dated: 24 December 2020****Government Gazette No: 44029****Name of Institution: National Treasury**

This proclamation extends Proclamation R4 of 2020. It extends the period of investigation to the date of this proclamation. It substitutes the phrase 'National Treasury' in the second and the fourth paragraph to the word 'Institutions'. It substitutes the date 1 January 2016 in the fourth paragraph to the date 1 November 2013. It substitutes paragraphs 1 and 2 with the following:

1. The procurement of, or contracting for the Integrated Financial Management System, by or on behalf of the Institutions (National Treasury, SITA SOC Ltd and the DPSA) and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the institutions as a result thereof.
2. Any unlawful or improper conduct by employees or officials of the institutions (including their respective Executive Authorities and agents) or the service provider in question, its employees (or agents) or any other person or entity relating to the allegations set out in paragraph 1 of this schedule.

Proclamation No: R179 of 2021

Dated: 5 March 2021

Government Gazette No: 44230

Name of Institution: Roads Agency Limpopo Limited (LIMRAL)

This proclamation extends Proclamation R12 of 2018. It extends the period of investigation to the date of this proclamation. It substitutes paragraphs 1 and 3 with the following:

The procurement of or contracting for goods, works or services by or on behalf of the Agency and payments made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by the Agency or the State in relation to the appointment of the following contractors, suppliers and service providers in respect of the following contract numbers:

- aa) Contract Number RAL/T682/2015;
- bb) Contract Number RAL/T740/2015;
- cc) Contract Number RAL/T694/2015;
- dd) Contract Number RAL/T695/2015;
- ee) Contract Number RAL/T687/2015;
- ff) Contract Number RAL/T699/2015;
- gg) Contract Number RAL/ACCESS CONTROL;
- hh) Contract Number RAL/PUBLIC RELATION;
- ii) Contract Number RAL/T652/2015;
- jj) Contract Number RAL/T653/2015;
- kk) Contract Number RAL/T349D/2015;
- ll) Contract Number RAL/T646/2015;
- mm) Contract Number RAL/T657/2015;
- nn) Contract Number RAL/T535C/2015;
- oo) Contract Number RAL/BERMUDA ROADS/03/2015;
- pp) Contract Number RAL/C824/2016;
- qq) Contract Number RAL/C816/2016;
- rr) Contract Number RAL/C539C/2016;
- ss) Contract Number RAL/630B/2016;
- tt) Contract Number RAL/C638C/2016;
- uu) Contract Number RAL/C822/2016;
- vv) Contract Number RAL/T757/2015;
- ww) Contract Number RAL/T758/2015; and
- xx) Contract Number RAL/2016/PR/Communications.

1. Maladministration in the affairs of the Agency and any losses or prejudice suffered by the Agency or the State as a result of such maladministration in relation to the a) increase of the fees of the Chairperson of the Agency's Board and b) fees or salary payments made to Board members of the Agency's Board in respect of Board fees, including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Agency or the State.

Proclamation No: R180 of 2021**Dated: 5 March 2021****Government Gazette No: 44230****Name of Institution: Mogalakwena Local Municipality**

1. The procurement of, or contracting for goods, works or 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 the State or the Municipality in relation to aa) Tender number 04-2017/2018 (Bulk Masterplan: Phase 2A bulk water supply zone 1-WF2A and WF8 infrastructure (boreholes and pipelines; bb) Tender number 05-2017/2018 (Bulk Masterplan: Phase 2A bulk water supply zone 1-Gravity bulk connection to reservoirs); cc) Tender number 06-2017/2018 (Bulk Masterplan: Phase 2A bulk water supply zone 1-WF2 raising mains, storage and bulk supply); dd) Tender number 25-2016/2017 (Construction of VIP toilets); ee) Waste removal and collection services; ff) landfill services and the hiring of equipment; gg) bush-clearing and grass-cutting services; and hh) legal services.
2. The recruitment, selection and appointment of personnel of the Municipality a) in a manner that was contrary to i) applicable legislation; ii) policies, procedures, prescripts, instructions or practices of, or applicable to, the Municipality; or iii) the applicable post-structures, minimum post-requirements and remuneration structures; and b) for positions that they are not qualified for.
3. 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 paragraphs 1 and 2 of this schedule.

Proclamation No: R210 of 2021**Dated: 12 March 2021****Government Gazette No: 44258****Name of Institution: North-West Provincial Department of Public Works and Roads**

1. The procurement of, or contracting for goods, works or services by or on behalf of the Department for a) project management for the Transport Infrastructure Directorate of the Department; b) the rehabilitation of flood-damaged road infrastructure in the NWP; and c) the installation of perimeter fencing at the Eagle Waters Wildlife Resort, and payments made in respect thereof 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 of this schedule.

3.2 PRESIDENTIAL REPORTS SUBMITTED IN THE 2020/21 FINANCIAL YEAR

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
1	R23 of 2020	State Institutions – Covid-19 Procurement	<ul style="list-style-type: none"> The procurement of, or contracting for goods, works and services, including the construction, refurbishment, leasing, occupation and use of immovable property, during, or in respect of the National State of Disaster, as declared by Government Notice No 313 of 15 March 2020, by or on behalf of the State institutions, and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the State institutions or the State. Any improper or unlawful conduct by the officials or the employees of the State institutions or any other person, in relation to the allegations set out in paragraph 1 of this Schedule, including the causes of such improper or unlawful conduct and any loss, damage or actual or potential prejudice suffered by the State institutions or the State. 	Interim	1 Sept 2020
2	R53 of 2014 amended by R15 of 2015	SITA – IBM and iFirm	<ul style="list-style-type: none"> Payments which were made by SITA to IBM SA (Pty) Ltd, in terms of an agreement dated 30 April 2013, concluded between IBM SA (Pty) Ltd and the SITA and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SITA; or (b) which were conducted or facilitated by or through the improper intervention of officials or employees of the SITA. 	Final	29 Sept 2020
3	R19 of 2017	Alfred Nzo District Municipality	<ul style="list-style-type: none"> The procurement of, and contracting for goods, works or services by or behalf of the Municipality and payments made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in respect of (aa) the supply, delivery, installation or commissioning of water storage facilities or tanks or contract number ANDM/IDMS-WSP/05/20/03; (bb) the Matatiele Ward 7 Water Supply Project or Tender Number ANDM/IDMS-PMU/300/25/03/14; AND (cc) a revenue and billing management solution or Tender Number ANDM/IDMS-WSP/165/19/11/14. Maladministration in the affairs of the Municipality in any losses or prejudice suffered by the Municipality as a result of such maladministration in relation to (aa) to (cc) above and payments made in respect thereof, including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred. Any unlawful or irregular conduct by councillors, officials or employees of the Municipality or the applicable contractors, suppliers or service providers or any other person or entity in relation to any allegations set out in the schedule. 	Final	29 Sept 2020

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
4	R9 of 2018	Mbhashe Local Municipality	<ul style="list-style-type: none"> The contracting for or procurement of motor vehicles and equipment by or on behalf of the Municipality in terms of hire purchase agreements dates 4 March 2015 and 6 July 2015 respectively, and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality or the State. Any improper or unlawful conduct by the councillors, officials or employees of the Municipality or the applicable service providers or any other person or entity, in relation to the allegations set out in the schedule. 	Final	29 Sept 2020
5	R23 of 2020	State Institutions – Covid-19 Procurement	<ul style="list-style-type: none"> The procurement of, or contracting for goods, works and services, including the construction, refurbishment, leasing, occupation and use of immovable property, during, or in respect of the National State of Disaster, as declared by Government Notice No 313 of 15 March 2020, by or on behalf of the State institutions, and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the State institutions or the State. Any improper or unlawful conduct by the officials or the employees of the State institutions or any other person, in relation to the allegations set out in paragraph 1 of this schedule, including the causes of such improper or unlawful conduct and any loss, damage or actual or potential prejudice suffered by the State institutions or the State. 	Interim	15 Oct 2020
6	R23 of 2020	State Institutions – Covid-19 Procurement	<ul style="list-style-type: none"> The procurement of, or contracting for goods, works and services, including the construction, refurbishment, leasing, occupation and use of immovable property, during, or in respect of the National State of Disaster, as declared by Government Notice No 313 of 15 March 2020, by or on behalf of the State institutions, and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the State institutions or the State. Any improper or unlawful conduct by the officials or the employees of the State institutions or any other person, in relation to the allegations set out in paragraph 1 of this schedule, including the causes of such improper or unlawful conduct and any loss, damage or actual or potential prejudice suffered by the State institutions or the State. 	Interim	25 Nov 2020

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
7	R54 of 2014 ext. by R44 of 2015	NDPWI: WCP Prestige	<ul style="list-style-type: none"> • The procurement of goods and services on behalf of the Department by the Department's Prestige Directorate, in a manner that was – (a) not fair, competitive, transparent, equitable or cost-effective; (b) contrary to applicable – (i) legislation; (ii) manuals, guidelines, practice notes or instructions issued by the National Treasury; or (iii) manuals, policies, procedures, prescripts, instructions or practices of or applicable to the Department, and any related unauthorised, irregular or fruitless and wasteful expenditure, incurred by the Department in relation to the following projects: • WCS039328 Rondebosch: Groote Schuur La Maisonette, Erf 4615 Rondebosch; 19. WCS041711/0001 Cape Town: Tuynhuys and Good Hope • WCS039326 Rondebosch: Groote Schuur Estate Avenue No. 4; 20. WCS041711/0003 Cape Town: Tuynhuys and Good Hope • WCS042438 Rondebosch: 61 Klipper Road; 21. WCS047407 Cape Town: Tuynhuys and Good Hope • WCS045147 Mowbray: De Meule; 22. WCS047577 Cape Town: Tuynhuys and Good Hope • WCS045148 Oranjezicht: Gydo; 23. WCS048382 Cape Town: Tuynhuys and Good Hope • WCS047399 Rockyvale; 24. WCS048592 Cape Town: Tuynhuys and Good Hope • WCS048362 Rondebosch: Groote Schuur Estate; 25. WCS039597 Cape Town: Parliamentary Complex • WCS047653 Kenilworth: 18 Oak Road; 26. WCS039597/0001 Cape Town: Parliamentary Complex • WCS039327 Rondebosch: Groote Schuur Estate; 27. WCS039597/0002 Cape Town: Parliamentary Complex • WCS041711/0002 Cape Town: Parliamentary Complex, Heritage - Tuynhuys; 28. WCS048383/0001 Cape Town: Parliamentary Complex • WCS045146 Cape Town: Acacia Park; 29. WCS048383/0002 Cape Town: Parliamentary Complex • WCS045653 Cape Town: Parliamentary Complex, 120 Plein Street; 30. WCS048472 Cape Town: Acacia Park • WCS048888 Cape Town • WCS045661 Cape Town: Parliamentary Villages • WCS049522 Cape Town: Parliamentary Complex, Heritage • WCS041711 Cape Town: Tuynhuys Complete Refurbishment 	Final	5 Feb 2021

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
8	R18 of 2017	Thabazimbi Local Municipality	<ul style="list-style-type: none"> The procurement of, and contracting for goods, works or services by or behalf of the Municipality and payments made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in relation to (aa) fleet-related goods or services; (bb) auctioneering or asset disposal-related services; (cc) the drafting or implementation of an asset-disposal policy; (dd) waste management services for the Northam landfill site; (ee) the provision of office equipment; (ff) the conversion of conventional prepaid meters to smart meters; (gg) human resources-related goods or services; (hh) the provision of meter reading-related services (ii) the provision of debt collection-related services; (iia) the procurement of information communication technology-related services in terms of contract number TLM-IT-03_2014/A2014; (jj) the provision of credit control-related services; (kk) the drafting or implementation of a credit control management policy and the management of such a policy. Maladministration in the affairs of the Municipality in respect of employees' tax deductions and the payment of such deductions to SARS and any losses, prejudice or fruitless and wasteful expenditure incurred by the Municipality as a result of the non-payment or late payment of such deductions to SARS, including the causes of such maladministration. The failure or refusal by the Municipality to (a) timeously act upon conclusions or findings which were made; or (b) implement recommendations contained in a final report entitled "Possible Abuse of Office: Forensic Investigation" dated 29/10/2014. Any unlawful or irregular conduct by councillors, officials or employees of the Municipality or the applicable contractors, suppliers or service providers or any other person or entity in relation to any allegations set out in the schedule. 	Final	5 Feb 2021
9	R23 of 2017 R6 of 2019	Gauteng Provincial DoH (Mental Health Care Facilities)	<ul style="list-style-type: none"> The procurement of or contracting by or on behalf of the Department of the services from the Life Healthcare Esidimeni and 28 entities in whose care mental health care users were entrusted and payments made in respect and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department of the State. Any unlawful or improper act or omission by (a) officials of the Department or officials or employees of the Life Healthcare Esidimeni; or (b) the owner of, a person in control of, or the staff of, an entity referred to in paragraph 1 of this schedule, which caused or may have caused serious harm to mental health care users who were entrusted into the care of an entity. 	Final	5 Feb 2021

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
10	R55 of 2014	Department of Labour and the Compensation Fund	<ul style="list-style-type: none"> • Compensation claim payments which were made by the Fund and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department and/or the Fund. • The conclusion by the Department and/or the Fund of- (a) a Public Private Partnership Agreement concluded with Siemens Business Services (Pty) Limited, on or about 1 November 2002; (b) a Termination Support Agreement concluded with EOH Managed Services Public Sector (Pty) Limited, on or about 27 November 2012; and (c) an agreement with the Medical Services Organisation South Africa for claims adjudication and medical service provider processing services, on or about 27 November 2012, alternatively 14 December 2012, and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department and/or the Fund. • The validity of the agreement concluded between the Department and/or the Fund and Siemens Business Services (Pty) Limited in terms of which the Department and/or the Fund agreed to the cession by Siemens Business Services (Pty) Limited's of the contract mentioned in paragraph 2(a) thereof to Siemens IT Solutions and Services South Africa (Pty) Limited. • The procurement of goods, works or services by the Department and/or the Fund and payments made in respect thereof, in relation to (a) the Request for Proposals for a Turnaround Strategy; and (b) the Request for Proposals for a Forensic Audit, and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department and/or the Fund. 	Final	26 Feb 2021

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
11	R19 of 2016	CIDB	<ul style="list-style-type: none"> • Maladministration in the affairs of the Board in respect of (a) the receipt of, or the processing of, or granting of applications by contractors to the Board for registration as a contractor in the register of contractors contemplated in Section 16 of the CIDB Act, 2000 (Act 38 of 2000); or (b) contractor grading designations awarded by the Board to contractors. • Any (a) failure to implement appropriate measures to safeguard confidential or privileged information or records submitted to the Board; or (b) irregular dissemination of confidential or privileged information or records by officials or employees of the Board to persons or entities who are not lawfully entitled to such information or records. • The appointment of a service provider by the Board, in terms of bid number RFB30026, to a panel of service providers to conduct investigations for the Board over a period of three years and any subsequent work awarded by the Board to the service provider. • The validity of construction work contracts awarded by the State institutions to contractors contemplated in paragraph 1 of the schedule, where the State institutions relied on the unlawful or invalid (a) registration as contractors in the register of contractors; or (b) contractor grading designations awarded by the Board to those contractors. • Any improper or unlawful conduct by officials or employees of the Board, contractors contemplated in paragraph 1 of the schedule or any other person, in relation to allegations contemplated in paragraphs 1, 2 or 3 of the schedule. 	Final	26 Feb 2021

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
12	R4 of 2018	AGRISETA	<ul style="list-style-type: none"> • The expenditure of Discretionary Grant funding by or on behalf of the authority in relation to (aa) Project Number NSFSP-064; (bb) a donation made to the Food and Allied Workers Union in respect of its 2016 National Congress; (cc) projects not included in the Annual Performance Plan of the authority for the 2014/2015, 2015/2016 and 2016/2017 financial years; and (dd) the allocation or reallocation of surplus discretionary funds in respect of the 2015/2016 financial year, and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the authority or the State. • The procurement of or contracting for training-related services, audit-related services and legal services by or on behalf of the authority and payments made in relation thereto, and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the authority or the State. • Maladministration relating to (a) bursaries granted to officials or employees of the authority; and (b) the appointment of a firm of attorneys to represent the CEO of the authority during grievance proceedings, and any losses or prejudice suffered by the authority or the State as a result of such maladministration. • Any unlawful or improper conduct by Board members, employees or officials of the authority or any other person or entity, in relation to the allegations set out in the schedule. 	Final	26 Feb 2021

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
13	R10 of 2018	KZN DCS	<ul style="list-style-type: none"> The procurement of or contracting for goods, works or services by or on behalf of the Department in respect of perishable provisions, food, toiletries, catering, marquee hire and coal in respect of the following tenders: KZN 6/2012 coal peas; KZN 8/2012 toilet soap and tooth-paste; KZN 9/2012 maize meal and milk powder; KZN 21/2013 perishable provisions Stanger Correctional Centre; KZN 22/2013 perishable provisions Port Shepstone Correctional Centre; KZN 5/2014 bread Empangeni, Glencoe and Ncome; KZN 6/2014 bread Kokstad and Pietermaritzburg; KZN 10/2014 beef and poultry halaal Kokstad; KZN 15/2014 perishable provisions Ncome; KZN 16/2014 perishable provisions Empangeni; KZN 17/2014 perishable provisions Kokstad; KZN 19/2014 perishable provisions Pietermaritzburg; KZN 25/2014 dishwashing liquid and green soap; KZN 31/2014 perishable provisions Empangeni; KZN 32/2014 perishable provisions; KZN 17/2015 maize meal all management areas; KZN 19/2015 bread Empangeni; KZN 33/2015 perishable provisions Kokstad; KZN 38/2015 perishable provisions; catering and marquee hire in respect of the Regional Freedom Day and Farewell of AC Durban 29/04/15; Launch of 2015/16 Operational Vala 27/11/15; Long Service Recognition Ceremony 15/10/15; 4th Quarterly Security Operational Work Session 5-7/5/15; and catering for an event held on 23/6/15 – for correctional facilities located within KZN and payments made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by the Department in relation to the above. 	Final	26 Feb 2021
14	R7 of 2019	Moretele Local Municipality	<ul style="list-style-type: none"> The procurement of or contracting for information communications technology goods and services under contract number MLM-IT-03-2016/A2016 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. Any unlawful or improper conduct by the employees or officials of the Municipality or applicable service provider, or any other person or entity in relation to the allegations set out in paragraph 1 of this schedule. 	Final	26 Feb 2021

No	Proclamation No	Department/ State Institution	Scope	Type of Report	Date Report Submitted
15	R23 of 2020	State Institutions – Covid-19 Procurement	<ul style="list-style-type: none"> The procurement of, or contracting for goods, works and services, including the construction, refurbishment, leasing, occupation and use of immovable property, during, or in respect of the National State of Disaster, as declared by Government Notice No 313 of 15 March 2020, by or on behalf of the State institutions, and payments made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the State institutions or the State. Any improper or unlawful conduct by the officials or the employees of the State institutions or any other person, in relation to the allegations set out in paragraph 1 of this schedule, including the causes of such improper or unlawful conduct and any loss, damage or actual or potential prejudice suffered by the State institutions or the State. 	Interim	26 Feb 2021

3.3. ON-GOING PROCLAMATIONS

3.3.1. National Proclamations

On-going Proclamations			
No	Proclamation No	Department/State Institution	Gazetted Date and No
1	R32 of 2020	NLC	GG 43885 dated 6 November 2020
2	R23 of 2020	State Institutions – Covid-19 Procurement	GG 43546 dated 23 July 2020
3	R7 of 2020	DOJ Masters Office	GG 42992 dated 3 February 2020
4	R4 of 2020 R40 of 2020	National Treasury	GG 42979 dated 31 January 2020 GG 44029 date 24 December 2020
5	R54 of 2019	SAHPRA	GG 42773 dated 18 October 2019
6	R41 of 2019	DOD & MV	GG 42577 dated 12 July 2019
7	R38 of 2019	SAHRA	GG 42577 dated 12 July 2019
8	R37 of 2019	SASSA	GG 42577 dated 12 July 2019
9	R36 of 2019	NDAFF	GG 42577 dated 12 July 2019
10	R29 of 2019	CMS	GG 42562 dated 5 July 2019
11	R28 of 2019	NDWAS	GG 42562 dated 5 July 2019
12	R26 of 2019	DCS and IDT	GG 42562 dated 5 July 2019
13	R23 of 2019	HPCSA	GG 42465 dated 17 May 2019
14	R18 of 2019	NHLS	GG 42338 dated 29 March 2019
15	R27 of 2018 R44 of 2019	NDWAS	GG 41915 dated 21 September 2018 GG 42577 dated 12 July 2019
16	R21 of 2018 R33 of 2019	DOJ OSA	GG 41771 dated 13 July 2018 GG 42577 dated 12 July 2019
17	R20 of 2018	NDPWI	GG: 41771 dated 13 July 2015
18	R37 of 2017	NDOT	GG 41271 dated 24 November 2017
19	R28 of 2017	DCS and IDT	GG 41055 dated 18 August 2017
20	R24 of 2017	DRDLR	GG 41000 dated 24 July 2017
21	R19 of 2016	CIDB	GG 39935 dated 15 April 2016
22	R7 of 2014 R599 of 2015 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

On-going Proclamations			
No	Proclamation No	Department/State Institution	Gazetted Date and No
1	R210 of 2021	North-West Provincial Department of Public Works and Roads	GG 44258 dated 12 March 2021
2	R42 of 2019 R29 of 2020	FSP DOH and NWP DOH	GG 42577 dated 12 July 2019 GG 43681 dated 3 September 2020
3	R40 of 2019	ECDPW and ECDOE	GG 42577 dated 12 July 2019
4	R39 of 2019	FSP DHS	GG 42577 dated 12 July 2019
5	R34 of 2019	FSP DOH	GG 42577 dated 12 July 2019
6	R30 of 2019	NWDC	GG 42562 dated 5 July 2019
7	R4 of 2019	Umgeni Water	GG 42204 dated 1 February 2019
8	R36 of 2018	KZN DOT	GG 42101 dated 14 December 2018
9	R16 of 2018 R25 of 2018	MICT SETA	GG 41650 dated 25 May 2018 GG 41915 dated 21 September 2018
10	R12 of 2018 R179 of 2021	LIMRAL	GG 41581 dated 20 April 2018 GG 44230 dated 5 March 2021
11	R10 of 2018	DCS	GG 41561 dated 6 April 2018
12	R5 of 2018	Tshwane South Technical and Vocational Education and Training College	GG 41433 dated 9 February 2018
13	R4 of 2018	AGRISETA	GG 41433 dated 9 February 2018
14	R2 of 2018 R31 of 2019	NW DPW R&T	GG 41387 dated 19 January 2018 GG 42562 dated 5 July 2019
15	R30 of 2017 R45 of 2019	KwaZulu-Natal Provincial Treasury	GG 41086 dated 1 September 2017 GG 42577 dated 12 July 2019
16	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
17	R9 of 2017	KZN DOA	GG 40594 dated 3 February 2017
18	R32 of 2016	IDT, the DBE and the DEFS	GG 40004 dated 20 May 2016
19	R22 of 2016 R27 of 2019	DHS and LNW	GG 39935 dated 15 April 2016 GG 42562 dated 5 July 2019
20	R55 of 2014	Department of Labour and the Compensation Fund	GG 37884 dated 1 August 2014
21	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

On-going Proclamations			
No	Proclamation No	Department/State Institution	Gazetted Date and No
1	R180 of 2021	Mogalakwena Local Municipality	GG 44230 dated 5 March 2021
2	R39 of 2020	Saldanha Bay Municipality	GG 44029 dated 24 December 2020
3	R27 of 2020	Maluti-a-Phofung Local Municipality: Free State Province	GG 43633 dated 21 August 2020
4	R58 of 2019	uMgungundlovu District Municipality	GG 42828 dated 8 November 2019
5	R35 of 2019	Madibeng Local Municipality	GG 42577 dated 12 July 2019
6	R17 of 2019 R12 of 2020	City of Johannesburg	GG 42338 dated 29 March 2019 GG 43074 dated 6 March 2020
7	R7 of 2019	Moretele Local Municipality	GG 42218 dated 8 February 2019
8	R35 of 2018	Endumeni Local Municipality	GG 42101 dated 14 December 2018
9	R28 of 2018 R5 of 2019	Ekurhuleni Metropolitan Municipality	GG 41915 dated 21 September 2018 GG 42204 dated 1 February 2019
10	R13 of 2018	EC Institutions (Nelson Mandela Funeral)	GG 41650 dated 25 May 2018
11	R9 of 2018	Mbhashe Local Municipality	GG 41561 dated 6 April 2018
12	R7 of 2018	Elias Motsoaledi Local Municipality	GG 41433 dated 9 February 2018
13	R25 of 2017	Lesedi Local Municipality	GG 41000 dated 24 July 2017
14	R19 of 2017	Alfred Nzo District Municipality	GG 40810 dated 25 April 2017
15	R18 of 2017 R43 of 2019	Thabazimbi Local Municipality	GG 40810 dated 25 April 2017 GG 42577 dated 12 July 2019
16	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

On-going 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 R15 of 2015	State Information Technology Agency (Pty) Ltd ('SITA') - IBM and iFirm	GG 37884 dated 1 August 2014 GG 38579 dated 17 March 2015

4. SUMMARY OF CIVIL LITIGATION

The SIU & Special Tribunal Act provides for the institution and conducting of civil proceedings emanating from the SIU's investigations in any court of law or a Special Tribunal in its own name or on behalf of state institutions. In terms of Section 4(1)(c) the SIU may claim 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. Other legal remedies under section 8(2) include applications for suspension orders, interlocutory orders, interdicts, preservation and forfeiture orders.

Recovery of monies lost by State Institutions through acts of corruption, maladministration, malpractices and malfeasance is a critical part of the SIU Investigations outcomes. Other key outcomes include referral of evidence pointing to criminal action to the National Prosecuting Authority and referral of evidence to the Accounting Officers and Accounting Authorities of State Institutions to institute Disciplinary Action and to ensure implementation of Consequence Management.

The SIU instituted a number of cases in the High Court and Special Tribunal and the following are pending as at 31 March 2021:

- 56 Cases in the High Court which involves contracts in the amount of R62bn;
- 64 Cases in the Special Tribunal which involves contracts in the amount of R6.99bn

The amounts or values are the contractual amounts which were irregularly and unlawfully awarded by the state institutions and which form the subject of the litigation by the SIU. The value of the contracts are not in all cases awarded by the courts and at times it may include an order which is just and equitable after considering amongst other the performance by the service provider or value of profits.

4.1. CASES INSTITUTED AT THE SPECIAL TRIBUNAL

NO	PROCLAMATION NUMBER	DEPARTMENT/ INSTITUTION	CASE NUMBER	VALUE
1	R9/2018	SIU v Mbashe Local Mun, Kwane and 1 other	EC/03/20	R34, 000, 000
2	R27/2018 (extended by R44/2019)	SIU v SAP	GP/04/20	R285, 000, 000
3	R11/2018	SIU v Transnet (Preservation)	GP/03/20	R18, 000, 000
4	R23/2020	SIU v Ledla Structural Development (Pty) Ltd et al.	GP/07/20	R38, 000, 000
5	R35/2017	SIU v Pandalani Inv Holdings	GP08/2020	R1, 450,000
6	R59/2014	SIU v Baithusi Trading	GP06/2020/ GP09/20	R19, 000, 000
7	R35/2019	SIU v Madibeng Municipality	NW10/2020	R190, 000, 000
8	R11/2018	SIU v Msagala + 6 Others	GP05/2020	R18, 000, 000
9	R23/2020	SIU v Caledon River Properties	GP12/2020	R23, 662, 883
10	R22/2016 (extended by Proclamation No R39/2019)	SIU v Legodi	GP10/2020	R2, 200, 000, 000
11	R22/2016 (extended by Proclamation No R39/2019)	SIU v Legodi (Summons)	LP01/2020	R1, 9 00, 000, 000
12	R23/2020	SIU v Caledon River Properties (Summons)	GP13/2020	R21, 819, 878.28
13	R23/2020	SIU v Lehloenyne (Summons)	GP11/2020	R43, 532, 709
14	R21/2018 as amended by R33/2019	SIU v Cartwright (application)	GP14/2020	R737, 605.65

15	R21/2018 as amended by R33/2019	SIU v Nosipho Zibane (Application)	GP15/2020	R4, 400, 000
16	R23/2020	SIU v Sinazo Mgwaqqa	EC05/2020	R4, 105, 197.09
17	R23/2020	SIU v Gibela	KN02/2020	R6, 708,000
18	R23/2020	SIU v Rosette Investments	KN01/2020	R4, 899.00
19	R23/2020	SIU v Phathilizwe Training (Door to Door)	EC06/2020	R4, 857 600
20	R23/2020	SIU v LNA Communications (Pty) Ltd	KN03/2020	R3, 960, 000.00
21	R21/2018 as amended by R33/2019	SIU v Paul Cartwright (Summons)	GP16/2020	R737, 605.65
22	R23/2020	SIU v Caledon (new matter)	GP17/2020	R21, 819, 878.28
23	R23/2020	SIU v Zain Brothers	KN04/20	R4, 800, 000.00
24	R23/2020	SIU v J.B. Hlatshwayo (Black dot)	GP20/2020	R11, 500, 000.00
25	R23/2020	SIU v MEC for Treasury in Free State and 31 others	FS/01/2020	R39, 150, 739.60
26	R21/2018 as amended by R33/2019	SIU v Paul Cartwright (new application)	GP18/2020	R737, 605.65
27	R23/2020	SIU v Modiko Thabang and another	GP19/2020	R100, 000.00
28	R23/2020	SIU v Mlangeni Brothers Invents CC	GP07/2021	R6, 597, 560
29	R23/2017	SIU v Santa Kamogelo Attridgeville	GP06/2021	R228, 299.19
30	R23/2017	SIU v Lapeng Home for the Aged Centre	GP02/2021	R222, 025.53
31	R23/2017	SIU v Lapeng Home for the Aged Centre	GP03/2021	R317, 589.53
32	R23/2017	SIU v Mosego Home and 2 Others	GP04/2021	R224, 802.93
33	R29/2017 extended by R19/2018	SIU v Motsoeneng (Werksmans Attorneys)	GP01/2021	R2, 400, 000.00
34	R7/2019	SIU v Moretele Mun	NW11/2020	R64, 701, 653.04
35	R42/2019	SIU v Lekalakala	NW12/2020	R30, 000, 000.00
36	R23/2020	SIU v MEC Health EC (Scooters)	EC04/2020	R10, 000, 000.00
37	R23/2020	SIU v Odirile Centre	GP05/21	R358 615.00
38	R23/2020	SIU v Modiko Thabang and another (Selemale)	GP19/2020	R2,700, 000
39	R23/2020	SIU v J.B. Hlatshwayo (Black dot)	GP20/2020	R11, 500, 000.00
40	R36/2018	SIU v MEC Transport & Nexor	KN 01/2021	R69, 000, 000.00

4.2. CASES INSTITUTED IN THE HIGH COURT

NO	PROCLAMATION NUMBER	DEPARTMENT/ INSTITUTION	CASE NUMBER	VALUE
1	R23/2020	SIU v Dr BEW Masuku	555372/2020	Review Application of SIU report
2	R23/2020	SIU v Matzikama Municipality	WC 17797/20	R650 378
3	R23/2020	<i>Pelatona v Nelson Mandela Bay Metropolitan Municipality and SIU</i>	ECP 2807/2020	R24 000 000



PART C: Governance

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ACRONYMS

A	AC	Audit Committee
	AGSA	Auditor-General of South Africa
B	BCM	Business Continuity Management
	BCP	Business Continuity Plan
	BIA	Business Impact Assessments
C	CCTV	Closed-circuit television
	DC	Disciplinary Committee
E	EXCO	Executive Committee
F	FY	Financial year
H	HC	Human Capital
	HoU	Head of the Unit
	HR	Human Resources
I	IIU	Internal Integrity Unit
	IMTT	Inter-Ministerial Task Team
	ISA	Information Security Audits
	IT	Information technology Audits
L	LVA	Lowered Voice Analysis
M	MISS	Minimum Information Security Standards
	MOU	Memorandum of understanding
N	NCOP	National Council of Provinces
	NPA	National Prosecuting Authority
P	PPE	Personal Protective Equipment
	PFMA	Public Finance Management Act
S	SAPS	South African Police Service
	SCOPA	Standing Committee on Public Accounts
	SIU	Special Investigating Unit
	SSA	State Security Agency
T	TSCM	Technical Surveillance Counter Measures

1. INTRODUCTION

The Special Investigating Unit (SIU) is a Schedule 3A Entity without a Board, and the Head of the Unit (HoU) fulfils the full responsibility of the Board as the Accounting Authority, assisted by the Executive Committee members as per the Public Finance Management Act (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.

The HoU as the Accounting Authority exercises overall authority and governance over strategic and ethical leadership. This extends to operations, human capital (HC), internal controls, compliance and financial management of the organisation.

To promote good corporate governance in the SIU and to strengthen governance management capabilities, the SIU has in place oversight and advisory structures to assist the HOU to provide effective and ethical leadership.

SIU puts premium on the impact of its work. Governance, Risk and Compliance are a critical enablement to the SIU business to achieve its mandate and the impact envisaged.

The SIU has improved its clean governance over the years which started with the review of its systems, processes and people by embarking on the organisational review called the Siyakha Project. The Siyakha project led to the revamp of the governance by improving the management executive committee which included the direct reports of the Head of the Unit that are in charge of governance such as the permanent Chief Financial Officer (CFO), Chief Risk Officer (CRO), Chief Governance Officer (CGO) and Chief Audit Executive (CAE). There was also the review of the corporate governance committees which include the statutory Audit Committee and the Risk Management Committee, the Human Capital Committee. The calendar year 2020 saw the establishment of the Information and Communications Technology Committee as well as the Governance, Ethics and Social Responsibility Committee.

The corporate governance framework was developed and approved by the Head of Unit (HoU) in 2019. For the period under review the governance framework has been followed and improved the compliance to it as per the detailed report below on the governance section.

The SIU continues to pride itself in good governance and maintaining a sound internal control environment. As part of enhancing good governance, the combined assurance framework was approved and implemented in 2019, its benefits are noticeable on the consistent favorable clean audit outcomes the SIU continued to achieve and maintain for 5 consecutive years. There has also been a significant reduction in the number of audit findings over the 5 year period, as they have reduced from 22 and 28 audit findings in 2016 and 2017 respectively to 14 audit findings in the current year under review, namely 2020/21.

2. COMPLIANCE WITH LAWS AND REGULATIONS

The Accounting Authority authorised the establishment of a Legal Compliance function in the 2018/19 financial year (FY). The SIU has partially implemented the approved Compliance Framework during the FY 2019/2020 due to the pending and on-going recruitment of a Senior Manager Legal Compliance. 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 a compliance officer.
2. The Legal Compliance Unit 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 Committee		Reason for the appearance	Date of the meeting	
Portfolio Committee on Justice and Correctional Services		Briefing on the SIU 2019/20 APP and Budget	15 May 2020	
		All Investigations on DoJ matters by SIU	30 June 2020	
		Briefing by SIU, NPA and Hawks on Investigations – Master’s Office, State Attorney and COVID-19.	2 March 2021	
Other Portfolio Committees/ Parliament Committees Hearing on the DENEL	Select Committee on Security and Justice	Briefing by ESKOM on certain areas of ESKOM report dealing with SCOPA’s recommendations	18 June 2020	
	Portfolio Committee on Human Settlements Water & Sanitation	Human Settlements Water & Sanitation investigation	3 November 2020	
	SCOPA	SIU briefing on the investigations relating to the Department of Water and Sanitation	Update Covid-19 Investigations PPE’s	19 June 2020
			Update on Beitbridge Investigations	21 August 2020
	SCOPA	SCOPA	Update on Eskom Investigations	25 August 2020 and 6 October 2020
			Update on Covid-19 Investigations PPE’s	14 and 16 October 2020 23 February 2021
			Update on UIF investigation	20 August 2020, 10 February 2021
			Update on Corruption on all ACTT cases	28 October 2020
			DBSA	11 November 2020
			PRASA	18 November 2020
			PRASA	24 November 2020 and 17 February 2021
			PRASA	01 December 2020
			DENEL	23 February 2021
			SAA	23 February 2021; 16 & 25 March 2021
			Outcome of investigations on PRASA, TRANSNET and ESKOM	17 February 2021
			Hearing on TRANSNET	9 March 2021
			Hearing on DENEL	10 March 2021
	ToR Covid-19 PPE	16 March 2021		
	Covid-19 and SOE Corruption Cases	17 March 2021		

4. INTERNAL COMMITTEES

No	Committee Name	Nr of Meetings Held during Period under Review	Notes on Attendance
1	Audit Committee	4 Ordinary meetings 2 Special meetings	Refer to Annexure A
2	Risk Management Committee	3	Refer to 4.1
3	Information technology (IT) Committee	3	Refer to 4.2
4.	Human Capital (HC) Committee	3	Refer to 4.3

4.1 Risk Committee

The Risk Committee comprises of SIU internal members and one external member, Ms P Ramutsheli who is the Chairperson of the Risk Committee.

The meetings were convened on the following dates:

- 04 May 2020
- 22 September 2020
- 12 March 2021

4.2 Information Technology (IT) Committee

The IT Committee comprises of SIU internal members and one external member, Dr Sethibe who is the Chairperson of the IT Committee.

The meetings were convened on the following dates:

- 22 September 2020
- 10 February 2021
- 17 March 2021

4.3 Human Capital (HC) Committee

The HC Committee meetings were convened on the following dates:

- 05 June 2020
- 26 August 2020
- 21 October 2020

5. RISK MANAGEMENT

The SIU has put in place risk management systems and processes to ensure compliance with PFMA 01 of 1999 – Section 51(a)(i). This legal requirement places a duty on the accounting authority to maintain effective, efficient and transparent systems of financial and risk management and internal controls.

The SIU has an effective Risk Committee that monitors performance of risk management and it is chaired by a non-executive member. Risk management has been embedded in business planning and decision-making processes. In this regard, strategic and operational risks have been identified and mitigation plans put in place to ensure that the SIU is able to proactively manage risks before they occur, which might affect the achievement of organisational objectives.

This SIU is on a journey to become a risk intelligent organisation. In this regard, a National Treasury Risk Maturity Model has been adopted to assess the progress of the SIU.

The National Treasury Risk Maturity Model comprises of six levels as follows:

Level	Indicator	Description
1	Start-up	A risk management framework is not in place. Risk management practices follow ad hoc and unsystematic patterns.
2	Development	An approved risk management framework (incorporating a policy and implementation strategy) is in place and has been communicated throughout the institution. Implementation, although at a fairly low level at this stage, is in line with the framework.
3	Control	Institution-wide risk assessments have been completed and the necessary institutional capacity and structures to support risk management are in place. Risk management processes, practices and systems satisfy legislative requirements at this stage but have limited influence on the control environment.
4	Information	Risk management is firmly embedded in the institution. Metrics to measure the added value of risk management are in place. Aggregated risk management information is circulated to relevant officials and oversight structures as a matter of routine.
5	Managed	Risk tolerance parameters have been established for all major categories of risk. Management of risk is subjected to close monitoring to ensure prudent risk taking. Risk management has a significant influence on the control environment at this stage.
6	Optimising	The institution has reached a state where the risks taken are consistent with its risk tolerance. The focus of the institution has shifted firmly to employing risk management to optimise effectiveness, efficiency and economy within its operations.

The SIU managed to achieve Level 5-risk maturity, which suggests that good progress has been made to inculcate a risk management culture in all organisational business processes and activities. The SIU is now striving towards reaching the risk maturity Level 6.

Business Continuity Management

The Business Continuity Management (BCM) Committee was 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.

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



As from the 2019/20 FY, the BCM Committee guided and managed SIU's response in dealing with Covid-19. The Committee identified and implemented several strategic interventions to ensure that the risk of Covid-19 infections is managed. The interventions included among others, Covid-19 risk assessment, procurement of Personal Protective Equipment (PPE), Covid-19 training and awareness, and approved Covid-19 Guidelines, such as the 'working-from-home/rotational arrangement', virtual meetings instead of face-to-face, just to mention a few. Like most organisations in the country, the SIU felt the negative impact of Covid-19. In mitigation, a Covid-19 Policy, guidelines and protocols were developed and all employees were trained in Covid-19 and related health and safety issues. There has been a focus in observing the basic safety protocols and as a result, a culture of sanitising and daily screening became part of the organisation.

The leadership of Government and the World Health Organisation was closely adhered to and strategies adjusted accordingly. During Level 5, the organisation closed down with a few Operations staff continuing with critical investigations that had to proceed during this period. During Levels 3 and 4, a rotational work arrangement where 50% and 70% of employees worked from home respectively during these periods, was introduced.

Twelve per cent of employees tested positive for Covid-19 during this period and this was managed through the SIU Covid-19 Policy and guidelines. Fortunately no fatalities occurred.

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 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 Unit is involved in all four areas of the plan, i.e. 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. In the 2020/21 FY, the Unit established the Ethics and Governance Committee that is responsible for ethics in the Unit.

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. The screening policy approved during the FY under review and in the next FY 2021/22, SIU will resume the re-screening of its employees in order to test the integrity standing of its employees. This provides a preventative measure to avert unethical behaviour. SIU service providers are screened by the SIU's Internal Integrity Unit before they resume their work with the SIU.

6.1.3 Good Governance

The Chief Risk Officer reports directly to the 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. To improve governance, a Senior Manager Corporate Secretariat will be appointed in the beginning of the new FY.

6.1.4 Training and Awareness

Assistance is given to the Chief Programme Portfolio Officer by through 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. An e-learning module on ethics and integrity is used to enhance the ethics awareness drive internally.

Furthermore, the SIU disseminates a 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). SSA conducted Information Security Audits (ISA). Some of the reports in respect of other provinces were received. The recommendations are to be implemented.

Technical Surveillance Counter Measures (TSCM) were conducted and recommendations are to be implemented. CCTV cameras for SIU Kimberley Office were installed and are working perfectly.

The functionality of the existing access control was assessed with the assistance of ICT (Business Partner). The Receptionist's training on the use of Visitors Identity Scanners was conducted by ICT (Business Partner), Pretoria is the only office that is still to be trained.

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. A memorandum of understanding (MOU) was signed between SSA and SIU to authorise SIU to conduct its own vetting fieldwork. SSA will do the polygraph assessments and evaluation and issue the clearance certificates.

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 Database

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, and email address siu@whistleblowing.co.za, as well as online reporting on <http://www.whistleblowing.co.za>. The SIU works with an independent company that manages the whistle-blower hotline. However, it does not record telephone calls, track caller identity, trace electronic communications, nor attempt to determine the caller's identity as it is an anonymous platform. The SIU whistle-blower hotline is available 24 hours a day, seven days a week and services are offered in the 11 official languages.

For the FY under review, 661 reports were received, compared to 272 reports that were received in the 2019/20 FY. Internal officials can also report suspected wrongdoing to the Risk Management Unit, human resources (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. In the FY under review, 53 pre-employment screenings have been completed, 52 were recommended by the Internal Integrity Unit (IIU) and one was not recommended. Thirty-six vendor screenings were completed and three-hundred-and-eighty-four pre-interview desktop reports were completed. Thirty-six consultant screenings were completed and twenty-five National Prosecuting Authority (NPA) Lowered Voice Analysis (LVA) screenings were completed in the 2020/21 FY.

By performing pre-employment and pre-vendor 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 HC 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 South African Police Service (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 in place:

- Members are expected to exercise good judgement and the 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, 533 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 26 requests were approved.



Mr Thulani Mkhungo
Chief Risk Officer

8. INTERNAL AUDIT AND AUDIT COMMITTEE REPORT

8.1. Internal Audit Report 2020/21

Introduction

The SIU had a Co-sourced Internal Audit Function lead by the Chief Audit Executive during the 2020/21 FY period.

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, (Act 1 of 1999), King IV report and the approved Internal Audit Charter. It functionally reported to the Audit Committee and administratively to the HoU.

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 had 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 meetings 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 FY 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 of South Africa (AGSA). The Combined Assurance Framework, Combined Assurance Forum operating with approved terms of reference, and Combined Assurance Plan were developed, approved and implemented within the FY. Quarterly reports on progress against the Combined Assurance 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 HoU in maintaining effective internal controls as required by the 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 2020/21 approved Audit Plan as follows:

No	Audits Engagements	Status
1	Annual Financial Statement Review	Finalised
2	Assets Management Audit	Finalised
3	Occupational Health and Safety Audit	Finalised
4	Leave Management Audit	Finalised
5	Recruitment Management including termination and EE Audit	Finalised
6	Travel Management Audit	Execution Phase
7	Bids Continuous Audits	Finalised
8	Performance Information Reviews	Finalised
9	Annual Performance Plan Review	Finalised
10	Performance Bonus Reviews	Finalised
11	Follow up Audits	Finalised

Four audits, relating to Investigation Management, Fleet Management, Information Technology (IT) Disaster Recovery Management and IT Security Vulnerability Assessment were deferred to the following year (2021/22) at management request and the Audit Committee approval.

Conclusion

Based on the audits completed within the FY 2020/21, 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 2020/21

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 2020/21 FY. The activities of the Committee are guided by the legislated mandate as per the Public Finance Management Act (PFMA) (Act 1 of 1999), as well as the detailed Terms of Reference duly informed by the PFMA (Section 27.1) and King IV and are approved by the Head of the Unit (HoU) annually. 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 a sub-committee 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 reports 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 PFMA; 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:

(b) **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 the 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.
- 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.

(c) **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 IT 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 and were satisfied.

(d) **In respect of performance information:**

- Oversaw the performance information throughout the year through the quarterly Unit performance report by management and the internal audit assurance reports received, exercised oversight over the quarterly performance reports and recommended to the Accounting Authority for approval prior to submission to the Executive Authority.
- Considered the Annual Performance Report for the year under review and recommended it for approval to the Accounting Authority prior to 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.
- The Committee noted the areas of improvement raised on the audited Annual Performance information

in terms of presentation by the external auditors, however, was satisfied that they were not material to impact the audit report and management has committed to strengthening management control drivers.

(e) In respect of the external audit:

- In consultation with Executive Management, the Committee reviewed and noted the AG's engagement letter and the Audit Strategy, and recommended it together with the fees for approval by the Accounting Authority.
- Obtained assurances from the external auditor that adequate accounting records were being maintained, including reports pertaining to the effectiveness of the Unit's internal control environment, systems and processes.
- Considered, interrogated and satisfied themselves that no reportable irregularities were identified and reported in the annual financial statement by the external auditors in terms of the Auditing Profession Act.
- Made recommendations to the HoU regarding corrective actions to be taken as a consequence of any audit findings.

(f) 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 a high level of professionalism and integrity during the audit and in the engagements with management and the Committee.

(g) 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 FY.
- Considered accounting treatments and accounting judgements and conclusions;
- Considered the appropriateness of the accounting policies adopted and any changes thereto.
- Created an environment for engagement with the external auditors at every meeting including outside meetings to ensure all parties had an opportunity to raise any concerns with the Committee.
- Reviewed the external auditor's audit report, including any significant legal and tax matters and satisfied themselves that no issues that could have a material impact on the annual financial statements were identified.
- 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.

(h) 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 Compliance Framework Plan, 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)).
- Considered reports provided by management, the internal auditors and the external auditors on compliance.

(i) 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 the Combined Assurance within the SIU is indicative

of growth. Internal Audit coordinates the process, and there is an approved Combined Assurance Framework and Plan. The Combined Assurance Forum was operating with approved terms of reference. The Committee considered quarterly reports of the progress made against the Combined Assurance Plan, and improvements are continuous.

(j) Evaluation of the expertise and experience of the Chief Financial Officer and finance function:

- The Committee has satisfied itself that the Unit had a full-time appointed Chief Financial Officer throughout the FY 2020/21 who has appropriate financial expertise and experience.
- The Committee has also considered and satisfied itself with 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 and supply chain management function.
- The Committee noted the areas of improvement raised on the audited annual financial statement in terms of presentation by the external auditors; however, they were satisfied that issues raised were not material to impact the audit report and management has committed to strengthening management control drivers.

(k) 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 commitment to ensure all findings are resolved.
- The Committee considered the AG's report on the Unit's audit outcome for the period under review. The Committee concurs with the audit opinion issued by the AG to the Unit, which is an unqualified audit opinion with no material findings.
- It noted with great joy the AG'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 2020/21 FY
- The Committee congratulated and commended the SIU Accounting Authority, Executive Management and employees for exceptional performance, and the entity maintaining a clean audit outcome for five consecutive years. The Committee challenged the Accounting Authority to continue to embed the strategy to maintain the excellent performance shown in consecutive years.
- The Committee prides itself to be associated with an institution of the caliber of leadership and management under the guidance of an Accounting Authority who, despite the impact of Covid-19 on operations, had still been able to be compliant to the extent of meeting all the requirements for the FY end reporting and exceed maintaining the clean audit outcome.

(l) Attendance:

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



Ms Nandi Madiba
Chairperson of the Audit Committee
Date: 02 August 2021

ANNEXURE A: AUDIT COMMITTEE ATTENDANCE 2020/21

AUDIT COMMITTEE ATTENDANCE 2020/21												
No	Name	Qualifications	Role	Appointed	Status 24 Jul 2020	Special Meetings			Ordinary Meetings attended: Absent (A) Present (P). Retired or new member (-)			
						29 Sept 2020	06 May 2020	27 July 2020	04 Nov 2020	28 Jan 2021	27 July 2020	04 Nov 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	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	01 Oct 2020	Current	P	P	P	P	P	P	P

AUDIT COMMITTEE ATTENDANCE 2020/21											
No	Name	Qualifications	Role	Appointed	Status 24 Jul 2020	Special Meetings			Ordinary Meetings attended: Absent (A) Present (P), Retired or new member (-)		
						29 Sept 2020	06 May 2020	27 July 2020	04 Nov 2020	28 Jan 2021	28 Jan 2021
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	Retired (16 May 2020)	-	-	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	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)	1 Nov 2020	Current	P	P	P	A	P	P





PART D: Human Capital

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ACRONYMS

A	AFU	Asset Forfeiture Unit
B	BU	Business Unit
C	CCMA	Commission for Conciliation, Mediation and Arbitration
E	EE	Employment equity
	EWP	Employee Wellness Programme
F	FIDP	Forensic Investigations Development Programme
	FY	Financial Year
H	HC	Human Capital
I	IOD	Injury on duty
L	L&D	Learning and Development
M	MTEF	Medium-Term Expenditure Framework
O	OHS	Occupational Health and Safety
P	PA	Performance appraisal
	PM	Performance Management
S	SSA	State Security Agency

1. INTRODUCTION

1.1 KEY ACHIEVEMENTS

Human Capital (HC) aligns with the direction of the SIU's Shared Vision, specifically contributing to the mandate of the SIU.

People management is an integral part of SIU. SIU members constitute Human Capital of the SIU. To this end SIU would achieve and maintain the objective of being the Preferred Employer and Employer of Choice.

Following the Siyakha Project which was aimed at reorganizing and restructuring the SIU to be a high performing organization, an organizational structure was reconfigured to include Human Capital Division.

The Human Capital (HC) Division is geared to render cutting-edge, integrated and people-centered HC solutions thereby positioning SIU as an Employer of Choice. Our Staff Establishment is set against the Outcomes of the SIU with the view of improving and providing alternative methods of filling vacancies timeously for both permanent and Fixed-Term Contracts.

Considering the ever changing landscape in the fight against corruption in the country, it was evident that the SIU urgently needed to be capacitate with the most needed skills and had to accelerate the resourcing process to improve its Capacity so that SIU can adequately execute on the SIU mandate.

The demand for transformative, strategic and collaborative HC services continues to grow. Key areas of focus during the year under review and going forward include:

- a). **Resourcing:** The hallmarks of a well-capacitated SIU will particularly address maintaining the lowest levels of vacancies in both positions that are approved but more importantly the ones that have been funded.
- b). **Entrenching 'Do Culture':** To inculcate a culture of staff engagements, thereby creating a conducive working environment and high-standard performance practices.
- c). **Performance Management System:** The implementation of an output performance management system will also be of paramount importance from an organisational development perspective. Through this system, individuals will ultimately be held responsible and accountable for individual performances.
- d). **L&D:** Roll-out of the critical Learning and Development (L&D) interventions in line with business unit (BU) needs, i.e., Performance Management (PM) Training, Leadership Development Programme, etc. The development and enhancement of skills for all employees and management/leadership are key during this transition.
- e). **Rem Strategy:** Finalisation of the remuneration strategy and policy which remains one of the outstanding deliverables in terms of Siyakha implementation. The SIU embarked on a comprehensive Organisational Assessment and Development Support Project (OADSP) that was necessitated by the need to deal with the business expansion of the SIU. The project among other things resulted in the vacancies planned in the financial year under review.
- f). **Labour Relations:** Maintaining a positive working relationship with labour.

The SIU employment policies and practices take into account and comply with the labour legislation in South Africa.

1.1.1 Staffing

As at the end of the 2020/21 FY, the staff complement totalled 532, of which 509 (96%) were permanent and 23 (4%) fixed-term as compared to 530 in the previous year.

The vacancy rate as at the end of the FY was 15% as compared to the 14% planned target. The conclusion of the Siyakha Recruitment Agreement with Labour delayed than anticipated, which affected the recruitment progress.

1.1.2 Employee Wellness and OHS

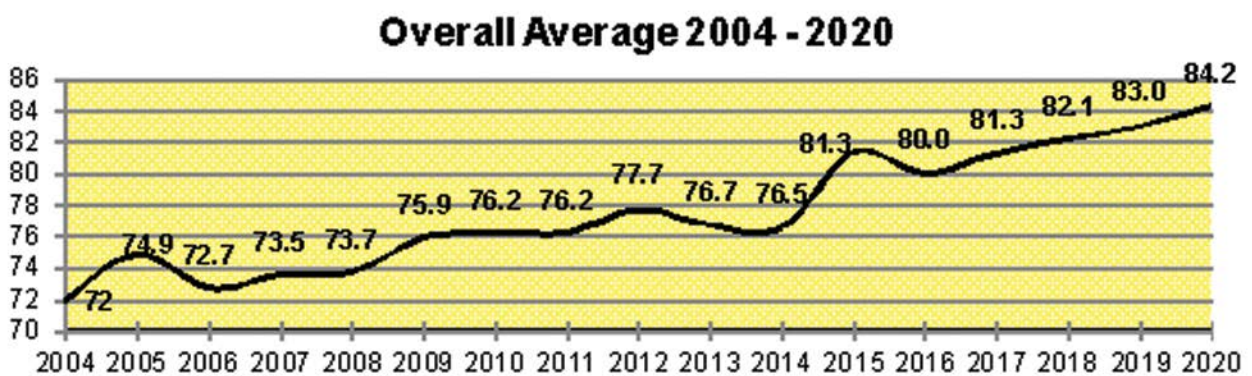
The biggest challenge for the year was the Covid-19 pandemic. The SIU is committed to complying with the requirements of the Occupational Health and Safety (OHS) Act of 1995 and all other related statutory requirements.

The Employee Wellness Programme (EWP) is outsourced to an external organisation which is staffed by qualified professionals and provides assistance and support on a strictly confidential basis. The SIU has appointment Safety Representatives in each province that is an extension of the Wellness team.

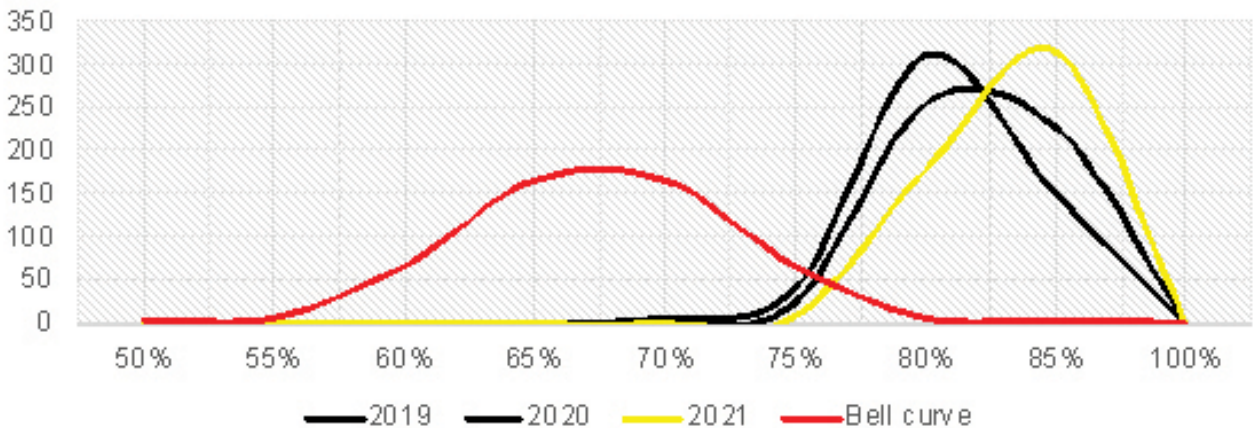
1.1.3 Performance Appraisals

The SIU’s Reward system aims at rewarding achievement of individual objectives and motivating exceptional performance in order to attract and retain high-calibre staff. The principles of fairness that remunerates employees in accordance with the ‘value of their work’ and enhance a culture of accountability is observed across the spectrum. A total of 506 employees participated in the 2019/20 performance appraisal (PA) period. The average score for the year under review was 84.2% as compared to 83% in the previous cycle.

Performance is measured on agreed upon operational/project plans and service targets. The SIU is a high-performance organisation with a stable, expert workforce, with an average score of over 80% as reflected on the bell curve above. The high performance is attributed to employee’s tenure, which means that employees have been able to reach high levels of performance over time.



**Annual Distribution of PA Results 2019 - 2021
(Normalised)**



1.1.4 Learning & Development

L&D have contributed significantly to key programmes meant to shift the skills set of SIU employees. L&D facilitated a Forensic Investigations Development Programme (FIDP) which was a one-year programme. The FIDP capacitated 23 young unemployed LLB graduates and 21 qualifying admin officers with knowledge and skills in forensic investigations. The programme comprised of eight online modules, combined with face-to-training and practical investigations under the guidance of mentors across provinces.

The SIU has also continued to offer a number of programmes, as well as bursaries.

1.1.5 Talent Management

A major shift in our scope of responsibilities required identifying key capabilities for the future, building pipelines, recognising and developing internal capabilities, recruit profiles with promising capabilities, and support personal development.

By the end of the year, 23 young unemployed LLB graduates and 21 SIU internal employees who successfully completed a 12-month Forensic Investigations Internship Programme for the position of Junior Forensic Investigator were incorporated.

1.1.6 Employment Equity

The SIU has made reasonable transformation progress in terms of its Top Management level and is committed to advance the employment equity (EE) agenda. The number of women employed at Senior and Top Management is 16, which represents 33% of the total Management workforce.



2. HUMAN CAPITAL OVERSIGHT STATISTICS

2.1 PERSONNEL-RELATED EXPENDITURE

2.2.1 Personnel expenditure by category

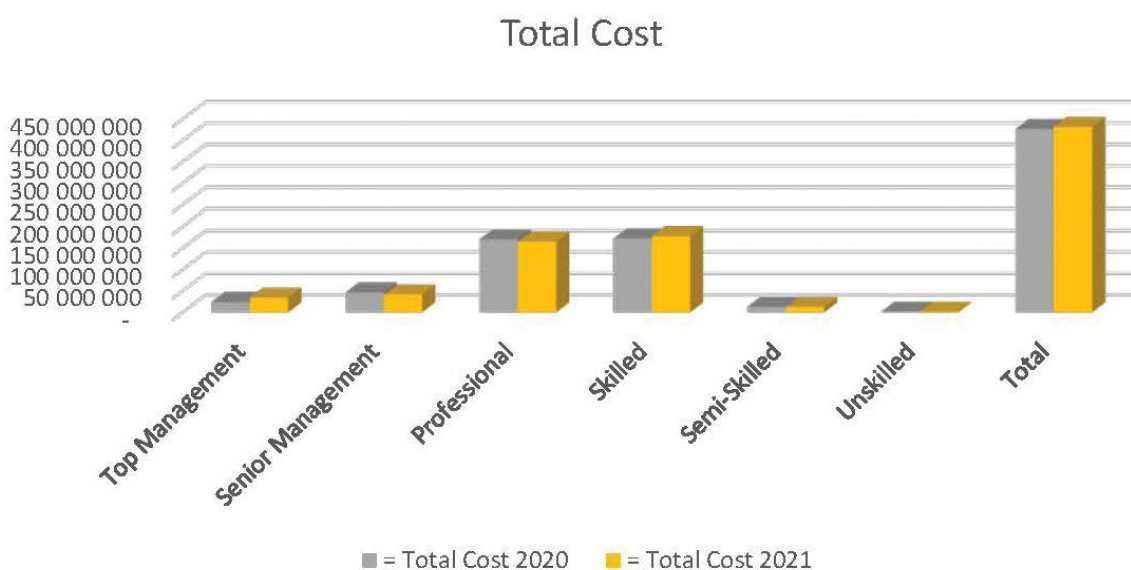
Category	Personnel Expenditure (R'000)	Personnel Exp. as a % of Total Personnel Exp. (R'000)	No of Employees	Average Personnel Cost per Employee (R'000)
Core	354,665	82.22%	416	853
Support	76,683	17.78%	122	629
Total	431,348	100%	538	802

2.2.2 Personnel costs by occupational level

Occupational Level	Personnel Expenditure (R'000)	Personnel Exp. as % of Total Personnel Exp.	No of Employees	Average Personnel Cost per Employee (R'000)
Top Management	33,865	7.85%	19	1 782
Senior Management	41,520	9.63%	28	1 483
Professional qualified	165,174	38.29%	142	1 163
Skilled	177,369	41.12%	297	597
Semi-skilled	12,071	2.80%	44	274
Unskilled	1,349	0.31%	8	169
TOTAL	431,348	100%	538	802

There is an additional seven Top Management positions, being the Provincial Heads.

The FY 2020/2021 annual personnel expenditure was R431 347 743 as compared to R426 528 420 in the previous financial year; an increase of 1.13%.



1.3 EMPLOYMENT AND VACANCIES

3.1 Employment and vacancies by programme as at 31 March 2021

Programme	2020/2021 Approved Posts	No of Employees	2020/2021 Vacancies	% of Vacancies
		2020/2021		
Core	461	411	50	11%
Support	169	121	48	28%
TOTAL	630	532	98	15%

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

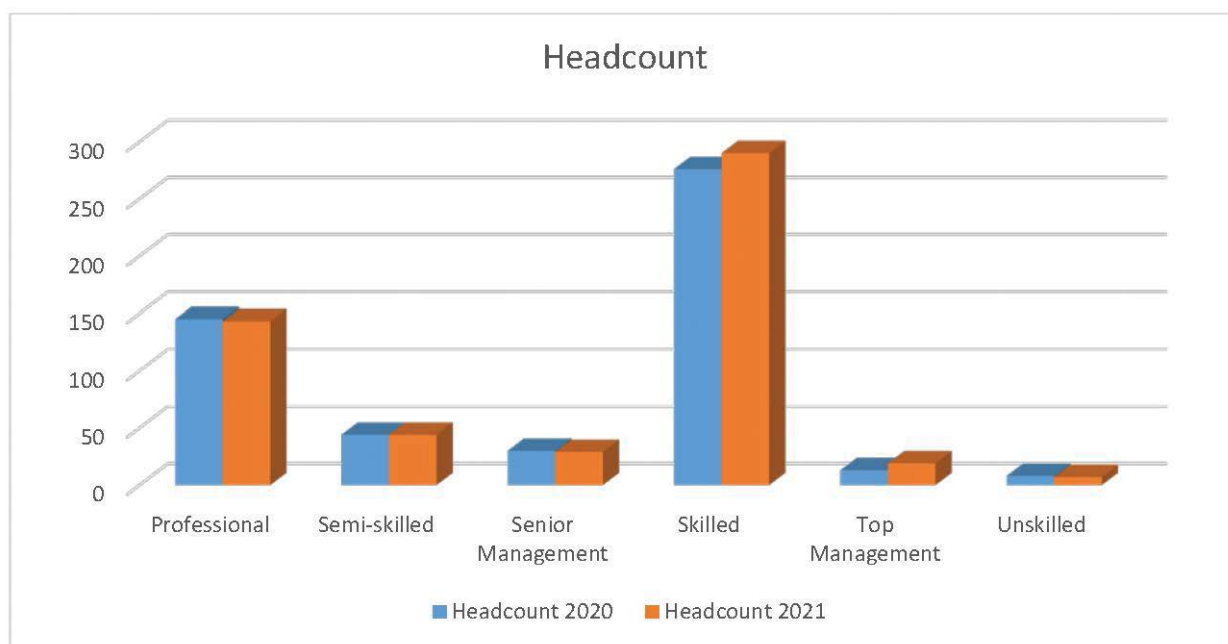
3.2 Employment and vacancies by occupational levels as at 31 March 2021

Salary band	2020/2021 Approved Posts	No of Employees 2020/2021	2020/2021 Vacancies	% of Vacancies
Top Management	22	19	3	14%
Senior Management	82	29	53	65%
Professional qualified	151	143	8	5%
Skilled	308	290	18	6%
Semi-skilled	53	44	9	17%
Unskilled	14	7	7	50%
TOTAL	630	532	98	15%

4. EMPLOYMENT CHANGES

4.1. Annual turnover rates by occupational level

Salary Band	Employment at Beginning of Period	Internal Staff Movements	Transfer to Disability Payroll	Appointments	Terminations	Employment at End of the Period
Top Management	13	7	0	0	-1	19
Senior Management	30	-2	0	3	-2	29
Professional qualified	145	-5	-1	4	0	143
Skilled	276	0	-2	26	-10	290
Semi-skilled	44	0	0	0	0	44
Unskilled	8	0	0	0	-1	7
TOTAL	516	0	-3	33	-14	532



4.2. Reasons for staff leaving

Reason	Number	% of Total No of Staff Leaving
Death	1	7.1%
Resignation	9	64.3%
Dismissal	0	0%
Retirement	4	28.6%
Ill health	0	0%
Expiry of Contract	0	0%
Retrenched	0	0%
TOTAL	14	100%

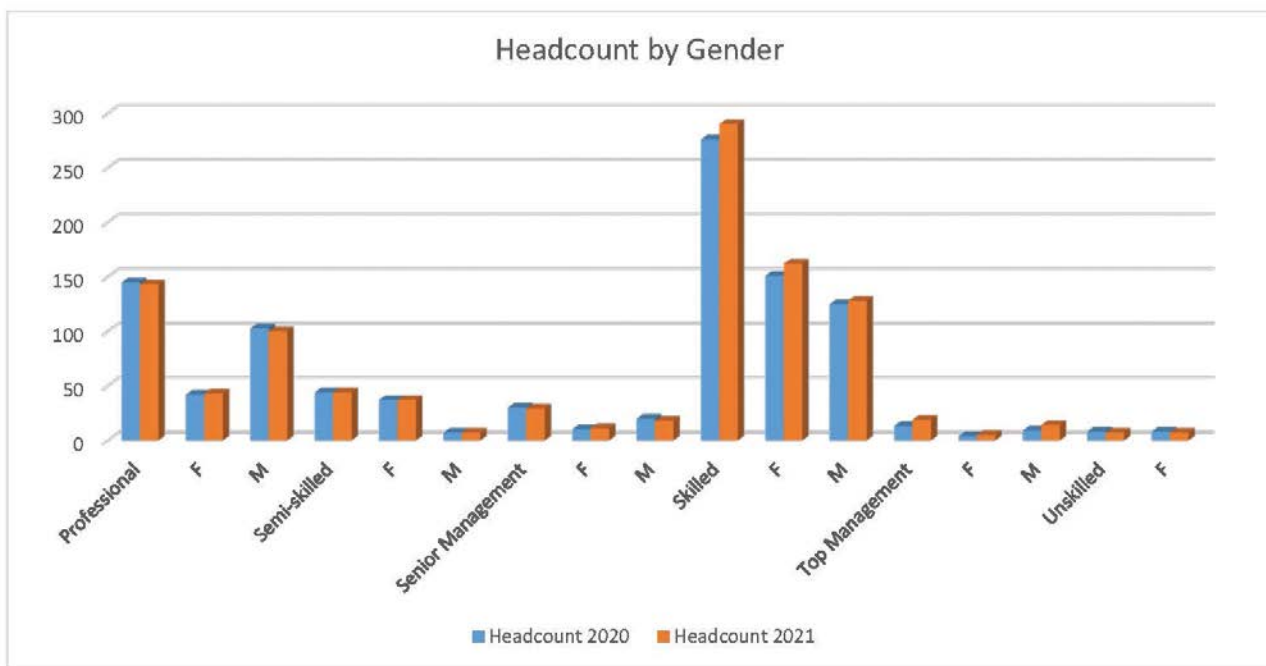
The staff turnover for the financial year 2020/21 was 14 which is 2.6% compared to 4% in 2019/20.

5. EMPLOYMENT EQUITY

5.1 Total number of employees in each of the following occupational levels as at 31 March 2021

Occupational Levels	Male									
	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	9	3%	2	1%	2	1%	1	0%	14	5%
Senior Management	9	3%	0	0%	0	0%	9	3%	18	7%
Professional qualified	40	15%	13	5%	15	6%	32	12%	100	37%
Skilled	105	39%	8	3%	8	3%	7	3%	128	48%
Semi-skilled	7	3%	0	0%	0	0%	0	0%	7	3%
Unskilled	0	0%	0	0%	0	0%	0	0%	0	0%
TOTAL	170	64%	23	9%	25	9%	49	18%	267	100%

Occupational Levels	Female									
	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	5	2%	0	0%	0	0%	0	0%	5	2%
Senior Management	4	2%	0	0%	2	1%	5	2%	11	4%
Professional qualified	18	7%	2	1%	4	2%	19	7%	43	16%
Skilled	107	40%	8	3%	17	6%	30	11%	162	61%
Semi-skilled	30	11%	1	0%	2	1%	4	2%	37	14%
Unskilled	7	3%	0	0%	0	0%	0	0%	7	3%
TOTAL	171	65%	11	4%	25	9%	58	22%	265	100%

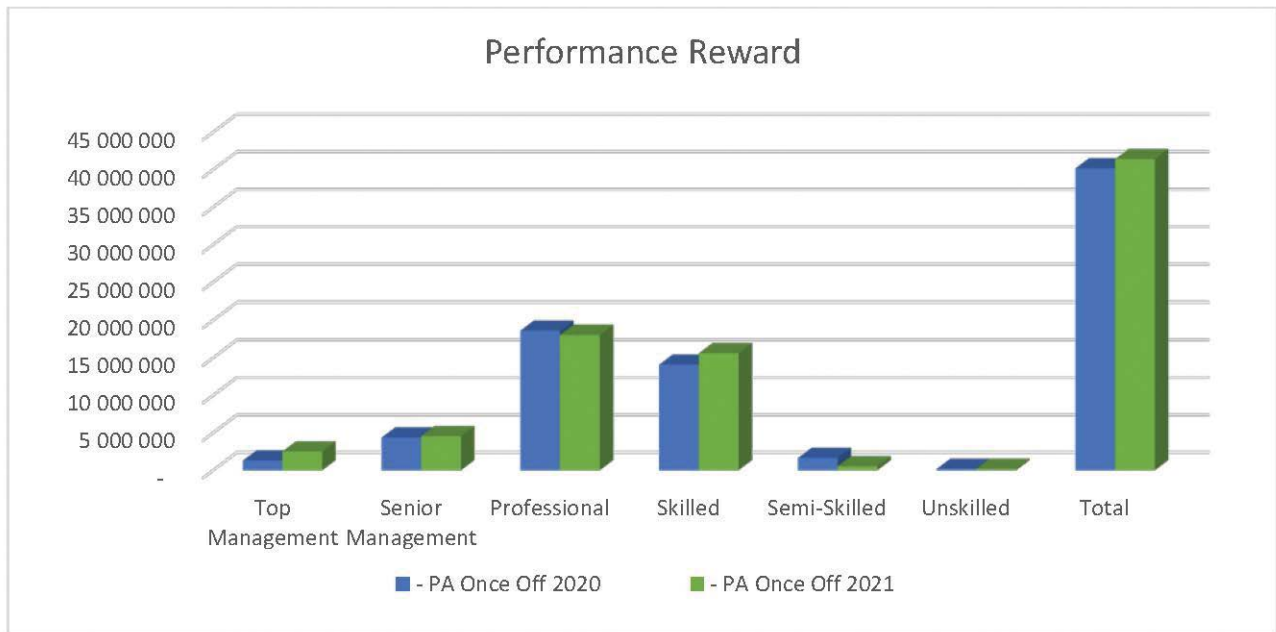


6 PERFORMANCE REWARDS

6.1 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	2 502	33 865	7.39%
Senior Management	4 553	41 520	10.97%
Professional qualified	18 046	165 174	10.93%
Skilled	15 600	177 369	8.80%
Semi-skilled	530	12 071	4.39%
Unskilled	180	1 349	13.33%
TOTAL	41 411	431 348	9.60%

In the 2020/21 FY, R41m as compared to R40m in 2019/20 was spent which was an increase of 2.5%.



7. LABOUR RELATIONS

7.1. Misconduct and disciplinary hearings finalised

Nature of Disciplinary Action	Number
Verbal warning	0
Written warning	0
Final written warning	0
Dismissal	0
Total	0

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

7.2. Types of misconduct addressed at disciplinary hearings

Type Of Misconduct	Number	% of Total
Dishonesty and unauthorised absence from workplace while on duty	1	50%
Absence from work without approval by line manager	1	50%
Total	2	100%

7.3. Grievances logged

Grievances	Number	% of Total
Number of grievances resolved	4	80%
Number of grievances not resolved	1	20%
Total number of grievances lodged	5	100%

7.4. Disputes logged with CCMA

Disputes	Number	% of Total
Total number of disputes lodged that are on-going	3	75%
Number of disputes upheld	0	0%
Number of disputes dismissed	1	25%

8. SKILLS DEVELOPMENT

8.1 Training costs

Occupational Level	Personnel Expenditure (R'000)	Training Expenditure	Training Expenditure as a % of Personnel Cost	No of Employees Trained	Avg. Training Cost per Employee
Top Management	33 865	50	0.15%	10	5
Senior Management	41 520	110	0.26%	14	8
Professional Qualified	165 174	118	0.07%	8	15
Skilled	177 369	451	0.25%	100	5
Semi-skilled	12 071	354	2.93%	32	11
Unskilled	1 349	0	0.00%	0	0
TOTAL	431 348	1 083	0.25%	164	7

8.2. Training needs identified for the period

Occupational Level	Gender	Number of Employees as at 1 April 2020	Training Needs Identified at Start of the Reporting Period			
			Skills Programmes	Other Short Courses	Other Forms of Training	Total
Top Management	Female	4	1	1	1	3
	Male	9	4	1	3	8
Senior Management	Female	10	6	2	1	9
	Male	20	6	1	1	8
Professional Qualified	Female	42	20	2	0	22
	Male	103	34	1	0	35



PART E: Financial Information

Audit

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ABBREVIATIONS AND ACRONYMS

A	AFU	Asset Forfeiture Unit
B	BU	Business Unit
C	CCMA	Commission for Conciliation, Mediation and Arbitration
E	EWP	Employee Wellness Programme
F	FIDP	Forensic Investigations Development Programme
G	GRAP	Generally Recognised Accounting Practice
H	HC	Human Capital
I	IESBA	International Ethics Standards Board for Accountants
	IOD	Injury on duty
L	L&D	Learning and Development
M	MTEF	Medium-Term Expenditure Framework
O	OHS	Occupational Health and Safety
P	OADSP	Organisational Assessment and Development Support Project
	PAA	Public Audit Act
	PA	Performance appraisal
	PFMA	Public Finance Management Act
	PM	Performance Management
S	SIU	Special Investigating Unit
	SSA	State Security Agency

1. INTRODUCTION

Sound Financial Management is an important part of good governance. SIU has put in place measures to improve sound financial management in line with the Public Finance Management Act and applicable laws, regulations and policies.

Generally, the SIU's financial state of affairs are very positive, despite challenges in the recovery of its debt that it has invoiced for investigations and related services performed. A summary of some of the main financial indicators are:

- As at 31 March 2021, the SIU has a R836 million accumulated surplus in the Statement of Financial Position that it has managed to build over the last number of years.
- A material amount of this surplus is reflected in the SIU's positive bank balance of R742 million as at 31 March 2021.
- The SIU's Current ratio (Current assets: Current liabilities) as at 31 March 2021 is 4,6:1, whereas a strong current ratio in any organization is normally 2:1. The SIU's current ratio is more than double of what is considered to be a strong current ratio.
- For the year ended 31 March 2021, the SIU reflected a surplus of R68 million (2020:R193 million in the Statement of Financial Performance).
- Despite debt recovery challenges, the SIU still managed to reflect a positive "Net cash flow from operating activities" of R13 million for the year ended 31 March 2021 (2020: R194 million).

2. 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 financial statements fairly present the entity's financial position, financial performance and cashflow statement for the year.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledges that he 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 endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

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

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March, 2022 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.

The entity is wholly dependent on the Government for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Authority is primarily responsible for the financial affairs of the entity, he 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 108.

The annual financial statements set out on page 112-157 which have been prepared on the going concern basis, were approved by the Accounting Authority on July 31, 2021.



Adv JL Mothibi
Accounting Authority

3. REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE SPECIAL INVESTIGATING UNIT

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Special Investigating Unit (SIU) set out on pages 112 to 157 which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a 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 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 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 my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material impairments – trade debtors

7. As disclosed in note 18 to the financial statements, material debt impairment of R83,2 million was incurred as a result of an increase in provision for doubtful debts from trade debtors from exchange transactions.

Responsibilities of the accounting authority for the financial statements

8. 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 internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. 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

10. 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 a 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.
11. 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

12. In accordance with the Public Audit Act 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.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. 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 delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
14. 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 public entity's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 2 – Investigations and Legal Counsel	33 - 37

15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
 - Programme 2: Investigations and Legal Counsel

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 33 to 37 for information on the achievement of planned targets for the year and management's explanations provided for the over-achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

19. 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.
20. 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

21. 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.
22. 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 on it.
23. 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.
24. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

25. 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
31 July 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected 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
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority
 - conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists 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 provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

4. ANNUAL FINANCIAL STATEMENTS

Statement of Financial Position as at 31 March, 2021

Figures in Rand	Note(s)	2021	2020
Assets			
Current Assets			
Cash and cash equivalents	7	741,619,626	730,783,446
Bank balance - recoveries	10	67,310,850	41,173,626
Receivables from exchange and non-exchange transactions	6	197,200,139	92,772,717
		1,006,130,615	864,729,789
Non-Current Assets			
Property, plant and equipment	3	43,722,972	48,461,899
Intangible assets	4	2,839,765	3,030,927
		46,562,737	51,492,826
Total Assets		1,052,693,352	916,222,615
Liabilities			
Current Liabilities			
Payables - Recoveries	10	67,310,850	41,173,626
Trade and other payables from exchange and non-exchange transactions	11	94,208,414	56,461,867
Other financial liabilities	8	525,149	560,238
Operating lease liability	5	3,893,452	2,251,524
Provisions	9	50,888,206	47,608,837
		216,826,071	148,056,092
Total Liabilities		216,826,071	148,056,092
Net Assets		835,867,281	768,166,523
Accumulated surplus		835,867,281	768,166,523
Total Net Assets		835,867,281	768,166,523

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020
Revenue			
Revenue from exchange transactions			
Rendering of services	12	299,529,718	283,435,749
Interest received	12	24,781,220	38,494,843
Gain on disposal of assets	12	359,347	-
Total revenue from exchange transactions		324,670,285	321,930,592
Revenue from non-exchange transactions			
Transfer revenue			
Government grants	14	421,662,000	363,023,000
CARA funds	15	4,190,872	5,854,071
Rental of premises paid on behalf of the SIU	12	5,503,176	5,566,276
Total revenue from non-exchange transactions		431,356,048	374,443,347
Total revenue	12	756,026,333	696,373,939
Expenditure			
Employee related costs	16	(442,532,654)	(431,500,249)
Depreciation and amortisation	17	(7,666,351)	(7,077,326)
Debt impairment	18	(83,155,379)	82,709,701
Operating lease expenses	13	(35,844,613)	(38,423,367)
Professional Services	19	(283,916)	(1,329,191)
Loss on disposal of assets	20	-	(39,291)
General Expenses	21	(118,842,661)	(107,256,207)
Total expenditure		(688,325,574)	(502,915,930)
Surplus for the year		67,700,759	193,458,009

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 1 April, 2019	574,708,514	574,708,514
Changes in net assets		
Surplus for the year	193,458,009	193,458,009
Total changes	193,458,009	193,458,009
Balance at 1 April, 2020	768,166,522	768,166,522
Changes in net assets		
Surplus for the year	67,700,759	67,700,759
Total changes	67,700,759	67,700,759
Balance at 31 March, 2021	835,867,281	835,867,281

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020
Cash flows from operating activities			
Receipts			
Proceeds from services rendered		94,913,237	345,575,107
Government grants		421,662,000	363,023,000
Interest income		24,781,220	38,494,843
		541,356,457	747,092,950
Payments			
Employee costs		(439,253,285)	(426,001,553)
Suppliers		(88,890,077)	(127,146,625)
		(528,143,362)	(553,148,178)
Net cash flows from operating activities	22	13,213,095	193,944,772
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(2,995,770)	(17,519,124)
Proceeds from sale of property, plant and equipment	3	618,855	129,944
Purchase of other intangible assets	4	-	(195,683)
Net cash flows from investing activities		(2,376,915)	(17,584,865)
Net increase/(decrease) in cash and cash equivalents		10,836,180	176,359,907
Cash and cash equivalents at the beginning of the year		730,783,446	554,423,539
Cash and cash equivalents at the end of the year	7	741,619,626	730,783,446

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	330,525,000	3,555,000	334,080,000	299,529,718	(34,550,282)	31.1
Interest received	30,261,000	(3,996,000)	26,265,000	24,781,220	(1,483,780)	
Gain on disposal of fixed assets	-	-	-	359,347	359,347	
Total revenue from exchange transactions	360,786,000	(441,000)	360,345,000	324,670,285	(35,674,715)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	452,865,000	(31,243,000)	421,622,000	421,662,000	40,000	
CARA funds	-	-	-	4,190,872	4,190,872	31.2
Rental of premises paid on behalf of the SIU	6,766,306	-	6,766,306	5,503,176	(1,263,130)	
Total revenue from non-exchange transactions	459,631,306	(31,243,000)	428,388,306	431,356,048	2,967,742	
Total revenue	820,417,306	(31,684,000)	788,733,306	756,026,333	(32,706,973)	
Expenditure						
Employee related costs	(594,258,417)	73,010,000	(521,248,417)	(442,532,654)	78,715,763	31.3
Depreciation and amortisation	(22,626,000)	-	(22,626,000)	(7,666,351)	14,959,649	
Debt impairment	-	-	-	(83,155,379)	(83,155,379)	31.4
Lease rentals on operating lease	(37,061,715)	-	(37,061,715)	(35,844,613)	1,217,102	
Professional services	(468,816)	-	(468,816)	(283,916)	184,900	
General Expenses	(166,002,358)	45,322,461	(120,679,897)	(118,842,661)	1,837,236	31.5
Total expenditure	(820,417,306)	118,332,461	(702,084,845)	(688,325,574)	13,759,271	
Surplus before taxation	-	86,648,461	86,648,461	67,700,759	(18,947,702)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	86,648,461	86,648,461	67,700,759	(18,947,702)	

Accounting Policies

Figures in Rand	Note(s)	2021	2020
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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:

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Accounting Policies

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.

1.4 Significant judgements and sources of estimation uncertainty (continued)

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 nonoccurrence 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.

Useful lives of property, plant and equipment

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 used the prime interest rate to discount future cash flows.

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.

Accounting Policies

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 nonmonetary asset or monetary assets, or a combination of monetary and nonmonetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's 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.

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 the period of the property lease

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

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

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

Accounting Policies

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 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.

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.

Intangible 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.

Accounting Policies

1.6 Intangible assets (continued)

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 surplus 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.

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,

Accounting Policies

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 unfavorable 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.

1.7 Financial instruments (continued)

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

Accounting Policies

- 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.

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;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- 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:

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.

Accounting Policies

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.

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.

1.7 Financial instruments (continued)

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.

Accounting Policies

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 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.

1.7 Financial instruments (continued)

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.

Accounting Policies

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 noncash 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 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

[Specify judgements made]

1.9 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;

Accounting Policies

1.9 Employee benefits (continued)

- 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 shortterm 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 nonaccumulating 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

Defined contribution plans are postemployment 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.

1.10 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.

Accounting Policies

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.

1.10 Provisions and contingencies (continued)

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.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

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

Accounting Policies

1.10 Provisions and contingencies (continued)

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.

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

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.11 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.

1.12 Revenue from exchange transactions

Measurement

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

Accounting Policies

1.12 Revenue from exchange transactions (continued)

- 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.

1.13 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".

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

Recognition

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

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

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Measurement

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

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Transfers

Apart from Services in kind, which are not recognised, the entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Services in-kind

Except for financial guarantee contracts, 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.

1.14 Investment income

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

1.15 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.

Accounting Policies

1.15 Accounting by principals and agents (continued)

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 an 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 it 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.

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.

Accounting Policies

1.16 Comparative figures

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

1.17 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc. (as applicable).

1.18 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.

1.19 Segment information

The SIU manages the operations as a combined operational with the Head Office 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 allocations, 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 geographical spread offices based in 8 of the 9 provinces, the resources in those office work on all three spheres of state institutions 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.

Accounting Policies

1.20 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

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

The approved budget covers the fiscal period from 01-Apr-20 to 31-Mar-21.

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.

1.21 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 those family members who may be expected to influence, or be influenced by that person 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 favorable 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.

Accounting Policies

1.22 Events after reporting date

Events after reporting date are those events, both favorable and unfavorable, 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.

1.23 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 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 1 April, 2021 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 standard is not yet set by the Minister of Finance.

The entity expects to adopt the standard for the first time when the Minister sets the effective date of implementation.

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold property	10,978,526	(6,434,076)	4,544,450	9,063,493	(5,918,507)	3,144,986
Furniture and fixtures	2,631,236	(1,249,684)	1,381,552	2,631,235	(1,120,283)	1,510,952
Motor vehicles	21,483,351	(9,183,238)	12,300,113	22,102,351	(7,557,737)	14,544,614
Office equipment	9,875,559	(5,324,433)	4,551,126	9,298,536	(4,825,797)	4,472,739
IT equipment	52,231,031	(31,285,300)	20,945,731	52,868,321	(28,079,713)	24,788,608
Total	97,199,703	(53,476,731)	43,722,972	95,963,936	(47,502,037)	48,461,899

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold property	3,144,986	1,915,032	-	(515,568)	4,544,450
Furniture and fixtures	1,510,952	-	-	(129,401)	1,381,552
Motor vehicles	14,544,614	-	(186,697)	(2,057,804)	12,300,113
Office equipment	4,472,739	583,524	(4,908)	(500,229)	4,551,126
IT equipment	24,788,608	497,214	(67,905)	(4,272,187)	20,945,731
	48,461,899	2,995,770	(259,510)	(7,475,189)	43,722,972

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
	39,827,496	15,690,210	(169,235)	(6,886,572)	48,461,899

None of the assets above are pledged as security.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
Repairs and maintenance		
Repairs and maintenance during the year	1,004,575	1,345,709
Assets subject to finance lease (Net carrying amount)		
Leasehold property	4,544,450	3,144,986

4. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	5,491,459	(2,651,694)	2,839,765	5,491,458	(2,460,531)	3,030,927

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	3,030,927	(191,163)	2,839,765

Reconciliation of intangible assets - 2020

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

Pledged as security

None of the assets above are pledged as security.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
5. Operating lease liability		
Operating lease	(3,893,452)	(2,251,524)
Analysis of straight-line lease balance		
Current	460,804	1,544,428
Non-current	(4,354,256)	(3,795,952)
	(3,893,452)	(2,251,524)

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 and non-exchange transactions

Trade debtors (exchange)	188,902,913	74,688,260
Deposits (exchange)	70,733	70,733
Prepaid expenses (exchange)	674,935	1,265,438
Staff study loans (exchange)	58,234	96,935
Other staff debt (exchange) *	493,324	651,351
CARA debtor (non-exchange) **	7,000,000	16,000,000
	197,200,139	92,772,717

Notes on trade and other receivables

* Other staff debtors relate to debt owed by former and current SIU employees that are different in nature including negative leave, overpayments and these are recovered from the said employees on agreed terms.

** During the previous year an amount of R16 million was 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. During the year under review, an amount of R9,000,000 was settled leaving a balance of R7,000,000 at the end of 31 March 2021.

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 external credit ratings (if available) or 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 2021, R74,715,770 (2020: R55,784,435) were past due but not impaired.

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

3 months past due	74,715,770	55,784,435
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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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6. Receivables from exchange and non-exchange transactions (continued)

Trade and other receivables impaired

As of 31 March, 2021, trade and other receivables of R618,788,859 (2020: R421,418,827) were impaired and provided for.

The amount of the provision is (R429,885,946) as of 31 March, 2021 ((2020: R346,730,567)).

Composition of net trade debtors	2021	2020
Gross trade debtors	618,788,859	421,418,827
Provision for doubtful debts	(429,885,946)	(346,730,567)
	188,902,913	74,688,260

The table below is the analysis of the growth in trade debtors between 2020/21 and 2019/20 and the related provisions.

Gross trade debtors per Sphere of Government	2021	2020	Difference
Local Government	142,515,463	116,307,309	26,208,154
National Departments	151,504,246	45,902,912	105,601,334
Provincial Government	155,928,686	100,295,027	55,633,659
Public Entities	168,840,464	158,913,579	9,926,885
	618,788,859	421,418,827	197,370,032

Provision for doubtful debt per Sphere of Government	2021	2020	Difference
Local Government	(122,301,081)	(114,273,684)	8,027,397
National Departments	(74,050,343)	(30,379,679)	43,670,664
Provincial Government	(91,004,764)	(94,061,110)	(3,056,346)
Public Entities	(142,529,758)	(108,016,094)	34,513,664
	(429,885,946)	(346,730,567)	83,155,379

Net trade debtors per Sphere of Government	2021	2020	Difference
Local Government	20,214,382	2,033,625	18,180,757
National Departments	77,453,903	15,523,233	61,930,670
Provincial Government	64,923,922	6,233,917	58,690,005
Public Entities	26,310,706	50,897,485	(24,586,779)
	188,902,913	74,688,260	114,214,653

Reconciliation of provision for impairment of trade and other receivables

Opening balance	346,730,567	429,440,268	
Provision for impairment	83,155,379	-	
Amounts reversed	-	(82,709,701)	
	429,885,946	346,730,567	346,730,567

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	84,000	69,000
Bank balances	741,535,626	730,714,446
	741,619,626	730,783,446

Included in the above bank balance of R741,535,626 (2020: R730,714,446) is an employee saving scheme of R 525,149 (2020: R560,238). Deductions are made from employee's 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. 12 of 2020/21 on 02 September 2020, that indicates that a public entity must declare all surpluses to the relevant treasury from 01 August to 30 September of 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 01 August 2021 once the Annual Financial Statements have been audited and approved.

Bank balances are as per cashbook and bank statement balances.

8. Other financial liabilities

At amortised cost

Employee savings scheme	525,149	560,238
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The balance represents employee savings scheme. Refer to note 7 for more details.

Current liabilities

At amortised cost	525,149	560,238
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9. Provisions

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Performance bonuses	47,608,837	45,128,762	(41,849,393)	50,888,206

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

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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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 current policy is under review and the basis for calculating the amounts per member might change before the AFS is finally approved. However, this should not materially change the total amount of the provision as at 31 March 2021.

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

Figures in Rand 2021 2020

10. Bank balances - recoveries/ payables

Bank balance - recoveries	Opening balance	Collections	Payments during the period	Net movement in interest and bank charges	Total
Movements - 2020/21	41,173,626	29,999,895	(1,929,246)	(1,933,425)	67,310,850

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

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 is 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.

11. Trade and other payables from exchange and non-exchange transactions

Trade payables (exchange) *	55,370,213	20,554,239
CARA & other funds received in advance (non-exchange) **	10,226,197	14,570,450
Accrued leave pay (exchange)	28,612,004	21,337,178
	94,208,414	56,461,867

*The reason for the substantial increase in Trade Payables is the amount due to the Department of Justice and Constitutional Development. During the year under review, particularly under lock down, the Department did not submit invoices for the SIU to settle. After year end a substantial number of invoices were submitted to the SIU which had to be accrued as expenses in the 2020/21 financial year. This resulted in a material increase in amounts due by the SIU.

** CARA income received in advance R10,073,511.76 + R152,685 related to payment received in advance from a state institution.

12. Revenue

Rendering of services	299,529,718	283,435,749
Interest received	24,781,220	38,494,843
Gain on disposal of assets	359,347	-
Government grants & subsidies	421,662,000	363,023,000
CARA funds	4,190,872	5,854,071
Rental of premises paid on behalf of the SIU *	5,503,176	5,566,276
	756,026,333	696,373,939

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
12. Revenue (continued)		
The amount included in revenue arising from exchanges of goods or services are as follows:		
Rendering of services	299,529,718	283,435,749
Interest received	24,781,220	38,494,843
Gain on disposal of assets	359,347	-
	324,670,285	321,930,592

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

Transfer revenue		
Government grants & subsidies	421,662,000	363,023,000
CARA funds	4,190,872	5,854,071
Rental of premises paid on behalf of the SIU *	5,503,176	5,566,276
	431,356,048	374,443,347

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

13. Operating lease expenses

Premises		
Straight line lease expenditure	34,626,233	37,287,742
Office equipment		
Printing equipment	1,167,381	1,067,981
Other		
Office plant rentals	50,999	67,644
	35,844,613	38,423,367

14. Government grants and subsidies

Operating grants		
Government grant	421,662,000	363,023,000

15. CARA funds

Transfers received from Department of Justice	4,190,872	5,854,071
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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.

Movement of the amount during the 2020/21 financial year are as follows:

As at 31 March 2021, an amount of R3,986,914.14 was expensed towards the sourcing of professional staff, including legal counsel to lead evidence in relation to investigations finalized by the SIU. This amount has been recognised as income in line with the matching concept principle. The remainder of R2,002,027.18 has been recognised as Income Received in Advance.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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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 2021, no expenses have yet been incurred on these activities, and the full amount is therefore recognised as Income received in advance.

R4,450,000 allocated to the Department of Planning, Monitoring and Evaluation for the National Anti-Corruption Strategy Development, managed by the SIU and has been transferred by the DoJ & CD in full. R178,164 of this amount was used during the 2018/19 financial, a further R 843,013.12 in the 2019/20 financial year and R357,339.14 in the 2020/21 financial year. These amounts have been recognised as income and expenditure in the Statement of Financial Performance. The balance of R3,071,484.18 is disclosed as "Income received in advance".

The total CARA income recognised in the 2020/21 financial year is therefore R4,190,757 (R3,986,914 + R203,843).

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
16. Employee related costs		
Basic salaries	346,573,906	342,114,464
Performance Bonuses	45,128,762	45,687,112
Medical aid - company contributions	141,513	133,481
UIF	1,660,764	1,422,455
Provident fund contributions	38,654,179	37,186,036
Leave pay provision charge	7,266,542	1,645,147
Funeral benefits	58,653	59,031
Travel related allowances and costs	1,713,957	1,928,654
Acting allowances	1,334,378	1,323,869
	442,532,654	431,500,249

Adv. JL Mothibi - Head of the Unit

Annual Remuneration	2,214,819	2,236,418
Performance Bonuses	-	327,535
Contributions to UIF, Medical and Pension Funds	332,732	332,732
	2,547,661	2,896,685

Adv. NC Mampuru - Deputy Head of the Unit

Annual Remuneration	156,577	1,875,089
Performance Bonuses	-	290,947
Contributions to UIF, Medical and Pension Funds	13,486	160,043
Leave Pay	54,580	-
	224,643	2,326,079

Advocate Mampuru resigned on 30 April 2020

Ms MN Mashego - Chief Human Capital Officer

Annual Remuneration	1,267,585	1,260,346
Car Allowance	90,000	90,000
Performance Bonuses	55,367	-
Contributions to UIF, Medical and Pension Funds	158,859	149,368
	1,571,811	1,499,714

Ms BH Leshope - Chief Audit Executive

Annual Remuneration	1,222,794	1,232,006
Car Allowance	21,584	-
Performance Bonuses	157,004	-
Contributions to UIF, Medical and Pension Funds	193,107	185,243
	1,594,489	1,417,249

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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Mr A Gernandt - Chief Financial Officer

Annual Remuneration	1,676,170	1,691,889
Car Allowance	24,000	24,000
Performance Bonuses	298,420	207,901
Contributions to UIF, Medical and Pension Funds	191,819	190,031
	2,190,409	2,113,821

Mr MT Mkhungo - Chief Risk Officer

Annual Remuneration	1,420,953	1,396,605
Car Allowance	94,584	94,584
Performance Bonuses	162,214	20,429
Contributions to UIF, Medical and Pension Funds	174,895	166,367
	1,852,646	1,677,985

Mr MK Kganyago - Head: Communication & Stakeholder Relations

Annual Remuneration	1,233,583	520,343
Performance Bonuses	104,876	-
Contributions to UIF, Medical and Pension Funds	246,500	102,708
	1,584,959	623,951

Mr LG Lekgetho - National Chief Investigations Officer

Annual Remuneration	1,596,762	1,612,431
Car Allowance	14,688	14,688
Performance Bonuses	315,422	275,989
Contributions to UIF, Medical and Pension Funds	240,177	240,177
	2,167,949	2,143,285

Dr JO Wells - Chief Legal Counsel

Annual Remuneration	1,568,910	1,534,772
Performance Bonuses	285,542	43,560
Contributions to UIF, Medical and Pension Funds	317,740	313,418
	2,172,192	1,891,750

Ms N Pandor - Head: Stakeholder Relations and Communications

Annual Remuneration	-	713,932
Performance Bonuses	-	41,749
Contributions to UIF, Medical and Pension Funds	-	81,999
	-	837,680

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
Mr ZL Mguli - Head: Strategy, Monitoring & Reporting		
Annual Remuneration	1,261,534	1,242,345
Performance Bonuses	67,517	187,564
Contributions to UIF, Medical and Pension Funds	134,838	124,305
	1,463,889	1,554,214
Mr PR Maharaj - Chief Programme Portfolio Officer		
Annual Remuneration	1,586,841	1,511,063
Performance Bonuses	85,475	39,600
Contributions to UIF, Medical and Pension Funds	186,843	172,190
	1,859,159	1,722,853
MS KT Zwane - Chief Information Officer		
Annual Remuneration	1,494,685	1,456,702
Performance Bonuses	125,190	13,763
Contributions to UIF, Medical and Pension Funds	174,895	164,036
	1,794,770	1,643,501
Adv. MS Muofhe - Chief Governance Officer		
Annual Remuneration	-	1,722
Contributions to UIF, Medical and Pension Funds	-	2
	-	1,724
17. Depreciation and amortisation		
Property, plant and equipment	7,472,523	6,886,572
Intangible assets	193,828	190,754
	7,666,351	7,077,326
18. Debt impairment		
Impairments		
Trade and other receivables	83,155,379	(82,709,701)

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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SIU makes an assessment of debtors accounts on an ongoing 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 2021, an assessment of 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 were settled. This was 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 R140,432,056.

The current years' impairment amount is based on assessments performed on balances outstanding at the end of the financial year and the growth is largely due to the fact that the payments received in 2020/21 were materially lower than 2019/20. Refer to note 6 for analysis.

19. Professional fees

Internal Audit Fees	283,916	1,329,191
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Some internal audit functions are outsourced to private firms. These expenses represent the fees incurred for those firms. The reasons for the decrease in expenses is that the contract for the previous service provider expired during the financial year. A new tender process was initiated and a new service provider was only appointed after the financial year under review.

20. Gain/ Loss on disposal of assets

Gain/ (loss) on disposal of assets	359,347	(30,291)
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21. General expenses

Consulting and professional fees (1)	63,925,995	35,921,649
Travel - local (2)	12,547,076	34,484,319
Licenses and subscriptions	9,123,268	6,445,954
Electricity	6,441,573	5,250,036
Telephone and fax	4,745,447	5,412,568
Auditors remuneration	3,045,879	3,329,455
Security costs (3)	2,695,185	1,351,017
Insurance (4)	2,336,995	1,268,694
Cleaning	1,950,570	2,359,951
Consumables	1,836,790	1,898,620
Placement and screening fees (5)	1,783,090	680,238
Printing and stationery	1,541,965	1,769,262
Office expenses (7)	1,015,007	496,950
Repairs and maintenance	1,004,575	1,345,709
Advertising	740,355	80,654
Bursaries	818,093	778,111
Relocation costs	657,656	-

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
Official functions and meetings (6)	403,411	921,810
Staff welfare	337,999	340,324
Branded items	327,199	650,388
Bank charges	290,176	274,251
Storage fees	269,828	334,115
Delivery expenses	160,701	167,518
Membership fees and subscriptions	151,681	170,555
Motor vehicles expenses	147,313	330,211
Data scanning, traces and deed searches	127,482	93,697
Conferences and seminars	124,167	195,070
Magazines, books and periodicals	121,483	148,482
Training	113,519	207,984
Postage and courier	58,183	74,728
Travel - overseas	-	473,887
	118,842,661	107,256,207

- (1) The inflow in proclamations during the 2020 and 2021 financial years were material, and the new organisational structure could not be recruited fully during these financial years. In order to meet the incoming demand for investigation services, the SIU had gone out on open tender and had appointed panels of experts to assist with investigations. During the 2020/21 financial year, there was a material increase in the use of the panel experts, which is the main reason for the increase in this expense. Moreover, with the number of cases referred for litigation, the cost of Legal Fees increased significantly in the current financial year as compared to the previous financial year.
- (2) During the 2020/21 financial year, specifically the months of April - July 2020, the SIU had only limited resources occupied in investigations, due to the SIU not being declared as an essential service for the purposes of the Covid -19 lockdown regulations. Furthermore, in the interest of employees' safety, the SIU only allowed interprovincial travel in limited circumstances and had resorted to alternative methods of progressing the investigations. Due to this, there was a material decrease in travel related expenses.
- (3) The increase in security costs is due to a new contract in the Mthata office, which was not there in prior years. Furthermore, the increase is also due to the SIU having to ensure the safety of its employees on investigations where threat assessments are carried out independently by SAPS, and the recommendations implemented by the SIU.
- (4) The increase in insurance is due to a combination of the addition of 600 laptops as well as the SIU's claims history. The SIU's insurance broker sources the most favourable insurance premiums in the market on an annual basis.
- (5) Due to the recruitment as mentioned in 4 above, there were also a concomitant increase in screening and placement costs. Another reason was that the number of required screenings and background checks increased in core operations, especially on the Covid-19 proclamation.
- (6) During the Covid-19 lockdown regulations, there were periods during which employees did not all work at the offices itself, but worked from home utilising the necessary ICT tools that ensured connectivity and access to all ICT systems. Most meetings were held on digital platforms, and therefore there was a decrease in associated costs of on-site, face to face meetings.
- (7) The increase in office expenses is directly related to PPEs as a result of Covid-19. The expenses include preparation of all SIU offices for occupation after the hard lock-down (isolation rooms, reception & open plan screens, infrared thermometers), sanitisers, gloves, waste bins, etc.

Notes to the Annual Financial Statements

Figures in Rand 2021 2020

22. Cash generated from operations

Surplus	67,700,759	193,458,009
Adjustments for:		
Depreciation and amortisation	7,666,351	7,077,326
(Gain)/ loss on disposal of property, plant and equipment	(359,347)	39,291
Impairment reversals	-	(82,709,701)
Debt Impairment growth	83,155,379	-
Movements in provisions	3,279,369	5,498,474
(Decrease)/ Increase in Income received in advance	(4,344,253)	10,145,929
Changes in working capital:		
(Decrease)/ increase in Receivables from exchange transactions and non-exchange transactions	(188,173,305)	55,505,989
Prepayments	590,503	227,675
Increase in payables from exchange transactions	43,697,639	4,701,780
	13,213,095	193,944,772

23. Commitments

Operating leases

Operating leases - as lessee (expenses)

• Minimum lease payments due - within one year (Current)	24,974,839	28,657,485
• Minimum lease payments due - two to five years (Non-current)	68,163,355	95,071,197
	93,138,194	123,728,682

Total commitments

Total commitments

Authorised operational expenditure	93,138,194	123,728,682
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Operating lease payments represent rentals payable by the entity for some of its office properties. Leases are negotiated for an average term ranging between one and five with an average escalation rate of between 5% and 8.5%. No contingent rent is payable.

24. Contingencies

Contingent liabilities

Claims against the SIU	3,500,000	2,780,000
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Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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24.1 The contingent liability for the current year is R3,500,000 (2019/20: R2,780,000) which represents one claim from a company that had been investigated by the SIU under a published proclamation. Litigation by its very nature is uncertain. In the case listed the SIU disputes the merits as well as the quantum. A trial dates has not been allocated yet and accordingly it is impossible to determine when the case will be finalised thereby giving rise to the uncertainty relating to the amount or timing of any outflow or reimbursement.

There are no expectations of possible reimbursement for this contingent liability.

24.2 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. 12 of 2020/21 on 02 September 2020, that indicates that a public entity must declare all surpluses to the relevant treasury from 01 August to 30 September of 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 01 August 2021 once the Annual Financial Statements have been audited and approved.

25. Related parties

Relationships

Member	Refer to member's report note
Executive Authority	Department of Justice and Constitutional Development
Entities in the same portfolio	Legal Aid South Africa (Legal Aid SA) Public Protector South Africa South African Human Rights Commission Justice Modernisation Presidents Funds Guardian's Fund Criminal Asset Recovery Account (CARA) Office of the Chief Justice Rules Board for Courts Law Council for Debt Collectors South African Board for Sherrifs South African Law Reform Commission
Members of key management	Adv. JL Mothibi Adv. NC Mampuru Mr A Gernandt Mr MT Mkhungo Mr LK Lekgetho

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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Dr JO Wells
 Ms NS Pandor
 Mr ZL Mguli
 Mr P Maharaj
 Ms B Leshope
 Ms T Zwane
 Ms N Mashego
 Mr MK Kganyago

The SIU has been established by Government in terms of national legislation, act 74 of 1996, as amended. The Minister of Justice and Correctional Services is the Executive Authority of the SIU. The SIU is ultimately controlled by the National Executive.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or join the SIU in making operational or operating decisions.

As a result of the constitutional independence of all three spheres of Government, within the National Sphere of government, public sector entities (national departments, national trading entities, schedule 2, 3A and 3B public entities, constitutional institutions, Parliament, etc.) are related parties. Entities in the National Sphere of Government are considered related parties of the SIU by virtue of the common control through Parliament.

In terms the SIU's mandate to investigate any fraud & corruption or maladministration in any Organ of State as provided for in the SIU Act, the National Sphere of Government and/or Public entities as referred to in paragraph three above, being related parties, may have been charged for investigation services fees and expenses for any work done in terms of the SIU Act. Such charges are included in revenue in the Statement of Financial Performance and any outstanding balances at the reporting date are included in Trade Receivables in the Statement of Financial Position.

Related party transactions and balances (Controlling and Related Entities)

Related party balances/ transactions - DoJ & CD

Debtors Balances - owing to the SIU by DoJ & CD	50,942,794	12,378,268
Accounts Payable - owing by the SIU to DoJ & CD	(44,053,923)	(14,057,866)
Amounts included in revenue invoiced by the SIU to DoJ & CD	(39,724,396)	(27,709,776)
Legal costs included in expenses invoiced by the SIU to the DoJ & DC	44,153,195	27,024,794

During the normal course of business, there have been proclamations within the Department of Justice where investigations have been done, or are still ongoing.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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25. Related parties (Continued)

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

Amounts included in Trade receivable (Trade Payable) regarding related parties - NPA

Debtors balance - owing to the SIU by the NPA	515,459	515,459
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As at 31 March 2021, an amount of R515,459 (2020: R515,459) was owed to the SIU by the National Prosecuting Authority. The amount outstanding represents charges for seconded Resource the SIU extended to the NPA.

Criminal Asset Recovery Account - CARA

Revenue recognised in the Statement of Financial Performance	4,190,757	5,854,071
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CARA Funds allocated in 2020/21 financial year:

As at 31 March 2021, an amount of R3,986,914 was expensed towards the sourcing of professional staff, including legal counsel to lead evidence in relation to investigations finalized by the SIU. This amount has been recognised as income (refer to note 15) in line with the matching concept principle. The remainder of R 2,002,027 has been recognised as Income Received in Advance. The total cumulative amount from the R11 million allocated that has been expensed and recognised as revenue is therefore R8,997,973 (2021 - R3,986,914 + 2020 - R5,011,059).

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 2021, no expenses have yet been incurred on these activities, and the full amount is therefore recognised as Income received in advance (refer to note 11).

R4,450,000 allocated to the Department of Planning, Monitoring and Evaluation for the National Anti-Corruption Strategy Development, 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, a further R 843,013.12 in the 2019/20 financial year and R357,339.14 in the 2020/21 financial year. These amounts have been recognised as income and expenditure in the Statement of Financial Performance. The balance of R 3,071,484.18 is disclosed as Income received in advance (refer to note 11).

Services in kind transaction between the SIU and DPW

Rental of premises paid on behalf of the SIU by DPW	5,503,176	5,566,276
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The amount represents payment made by the Department of Pubic Works for premises occupied by the SIU in East London and Mthatha premises. Refer to note 12.

Related party transactions - National and Public Entities

Revenue

National Departments	97,859,649	174,567,096
Public Entities	90,799,513	49,566,109

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
Gross Trade debtors		
National Departments	151,504,246	45,902,912
Public Entities	168,840,464	158,913,579
Provision for doubtful debts		
National Department	(74,050,343)	(30,379,679)
Public Entities	(142,529,758)	(108,016,094)
Net Trade debtors		
National Governments	77,453,903	15,523,233
Public Entities	26,310,706	50,897,485

26. Risk management

Financial risk management

The entity'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 entity'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 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Financial liabilities				
- Other financial liabilities	(525,149)	-	-	-
- Payables from exchange transactions	(94,208,415)	-	-	-
	(94,733,564)	-	-	-
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	(560,238)	-	-	-
- Payables from exchange transactions	(56,461,864)	-	-	-
	(57,022,102)	-	-	-

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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26. Risk management (continued)

Please note that in the 31 March 2020 published financial statements, the figure for other financial liabilities was stated as R559,438 instead of R560,238. Similarly the figure relating to payables from exchange transactions was stated as R45,148,898 instead of R56,461,864. The changes made have no effect on the Statement of financial position.

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.

Trade receivables comprise a widespread state institutions.

Financial instrument	2021	2020
Receivables from exchange transactions	197,200,139	92,772,717
Cash and cash equivalents	741,619,626	730,783,446

Please note that in the 31 March 2020 published financial statements, the figure for Receivables from exchange transactions was stated as R74,998,684 instead of R92,772,717.

Market risk

Market risk analysis

The SIU is affected by market risk in certain instances. It could compete for human resources that are in the forensic investigation industry. In order to mitigate the 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 2021, 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 R741,619 (2020: R730,783) lower/higher, mainly as a result of higher/lower interest received on the cash surpluses on call accounts.

27. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that 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.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
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28. Events after the reporting date

Declaration of Surpluses to National Treasury for the ending 31 March 2021.

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. 12 of 2020/21 on 02 September 2020, that indicates that a public entity must declare all surpluses to the relevant treasury from 01 August to 30 September of 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 01 August 2021 once the Annual Financial Statements have been audited and approved.

29. Fruitless and wasteful expenditure

Opening balance as previously reported	9,286	9,286
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Historic fruitless and wasteful expenditure consisting of penalties for late payments to SARS (R4,690) and traffic fines incurred by employees (R4,596). Condonation of the amounts is still being considered.

30. Irregular expenditure

Opening balance as previously reported	14,552,869	14,299,858
Add: irregular expenditure - restatement of opening balance *	-	112,843
Opening balance as restated	14,552,869	14,412,701
Add: Expenditure identified - current	-	140,168
Irregular expenditure condoned	-	-
Closing balance	14,552,869	14,552,869

* The 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. 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 with an additional amount of R112,843 in the 2018/19 financial year and R140,168 during the 2019/20 financial years. During the year under review, follow up investigations and inquiries were performed on the balance of the irregular expenditure from the previous financial year. The balance of the amount not written off is still being considered for further action or condonation by the relevant Authority.

Notes to the Annual Financial Statements

Figures in Rand		2021	2020
30. Irregular expenditure (continued)			
Expenditure identified in the current year include those listed below:			
	Disciplinary steps taken/ criminal proceedings		
Incident 1 Irregular expenditure relating to the current financial year confirmed after an independent internal audit process.	The SIU has initiated legal proceedings against a former employee to recover the irregular expenditure.	-	140,168
		-	140,168
Analysis of expenditure awaiting condonation per age analysis			
	Condoned by (Condoning authority)		
Current year	See notes above	-	140,168
Previous years	See notes above	-	14,412,701
		-	14,552,869

31. Difference between budget vs actual amounts

31.1 Rendering of service

Due to the Covid-19 lockdown between April and May 2020 the SIU was not classified as an essential service and therefore limited investigative was completed during this period. This resulted in negative variance in rendering of services.

31.2 CARA Fund

This SIU does not budget for this income in the normal cause of business because the funding is not always guaranteed.

31.3 Employee Related Costs

The SIU underwent an Organisational Review Process, whereby a new Organisational Structure was developed. In terms of this new structure, a number of new positions were identified and there was an intention to fill some of them during the 2020/21 financial year. Due to unforeseen circumstances, they were not all filled hence the underspent. Recruitment processes will continue into the 2021/22 financial year.

31.4 Depreciation and Amortisation

The capital expenditure outlay planned for ICT expenditure and furniture renewals did not materialise as planned hence the positive variance in depreciation and amortisation.

31.4 Debt Impairment

The SIU received guidance from National Treasury that it should not budget for debt impairment during the Estimates for Expenditure (ENE) budgeting cycles.

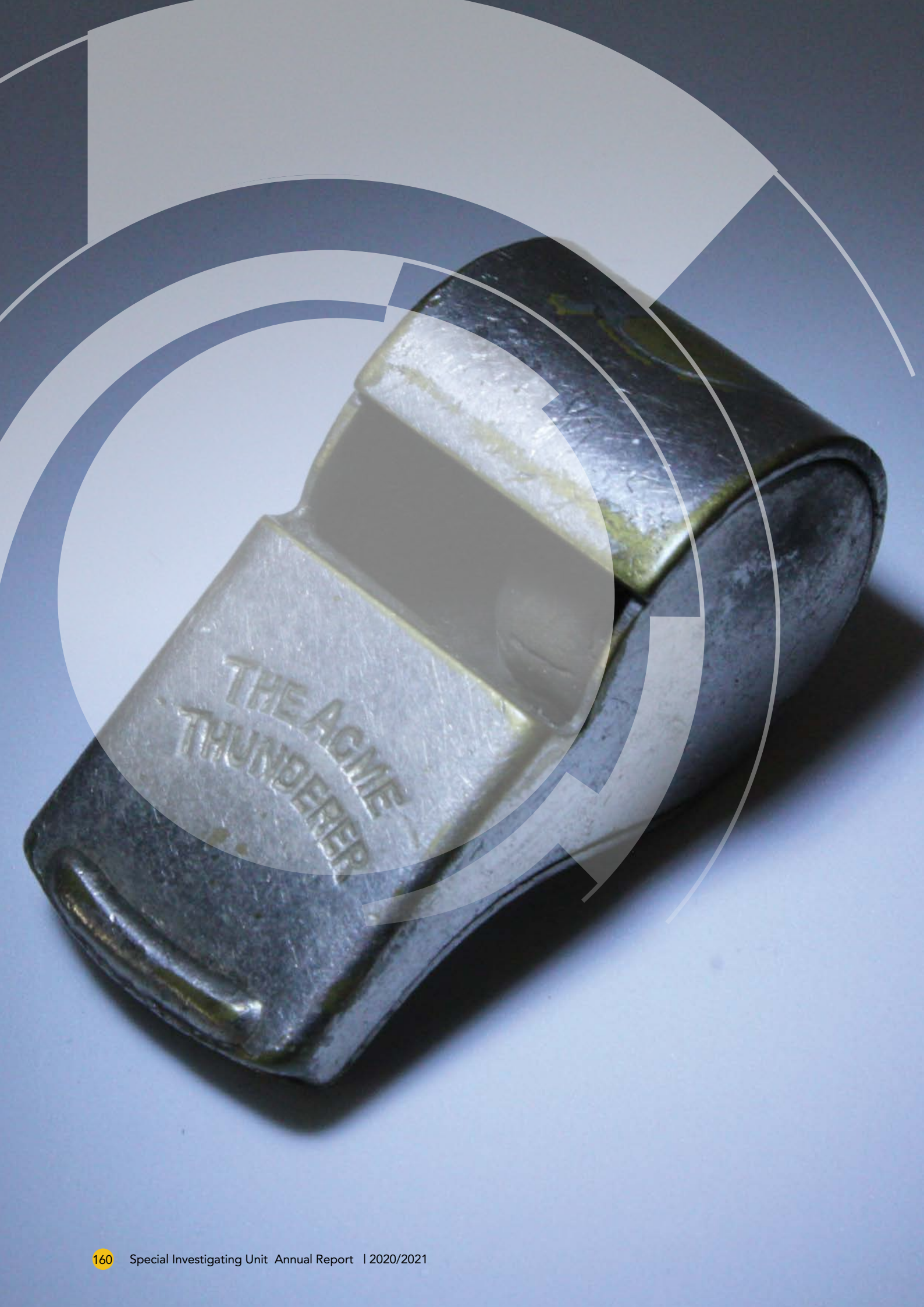
31.5 General Expenses

The main reason for underspending in General Expenses are as follows:

- Travel expenses were lower than expected due to National lock-down and travel restrictions imposed as a result of Covid19 pandemic.
- Costs budgeted for recruitment fees did not materialise during the current financial year.







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