

# 2013



## ANNUAL REPORT ELECTORAL COMMISSION



SOUTH AFRICA

ENSURING FREE AND FAIR ELECTIONS



# ELECTORAL COMMISSION



SOUTH AFRICA

## ANNUAL REPORT TO THE NATIONAL ASSEMBLY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

**The Honourable MV Sisulu**

**Speaker of the National Assembly**

I have the honour of submitting the Annual Report of the Electoral Commission for the period 1 April 2012 to 31 March 2013.

A handwritten signature in black ink, appearing to read 'F. Mkhabela.', written over a horizontal line.

**Chairperson**

Date: 30 July 2013

A handwritten signature in black ink, written over a horizontal line.

**Chief Electoral Officer**

Date: 30 July 2013

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# PART A

General information



SOUTH AFRICA

# 1. List of abbreviations and acronyms

<b>AC</b>	Audit Committee
<b>ACEEEO</b>	Association of European Election Officials
<b>AGSA</b>	Auditor-General of South Africa
<b>AU</b>	African Union
<b>B-BBEE</b>	Broad-based Black Economic Empowerment
<b>BOM</b>	Bill of Materials
<b>BPG</b>	Ballot Paper Generation
<b>CAE</b>	Chief Audit Executive
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration
<b>CDE</b>	Civic and Democracy Education
<b>CEO</b>	Chief Electoral Officer
<b>CFO</b>	Chief Financial Officer
<b>CGU</b>	Cash-generating unit
<b>CNS</b>	Candidate Nomination System
<b>CSO</b>	Civil Society Organisation
<b>CoGTA</b>	Department of Cooperative Governance and Traditional Affairs
<b>COIDA</b>	Compensation for Occupational Injuries and Diseases Act
<b>Commission</b>	The Electoral Commission established in terms of section 6(1) of the Electoral Commission Act, Act No 51 of 1996, ie, the organisation
<b>DAC</b>	Department of Arts and Culture
<b>DCEO</b>	Deputy Chief Electoral Officer
<b>DeafSA</b>	Deaf Federation of South Africa
<b>DR</b>	Disaster Recovery
<b>Electoral Commission</b>	The Commission as defined in section 3(1) of the Electoral Commission Act, Act No 51 of 1996, ie, the organisation
<b>EE</b>	Employment Equity
<b>EEC</b>	Employment Equity Committee
<b>EFT</b>	Electronic Funds Transfer
<b>EMB</b>	Electoral Management Body
<b>EPC</b>	Electoral Project Coordinator
<b>ERMC</b>	Executive Risk Management Committee
<b>ESS</b>	Electoral Staff System
<b>EXCO</b>	Executive Committee
<b>FBO</b>	Faith-based Organisation
<b>GIS</b>	Geographic Information Systems
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>HSRC</b>	Human Sciences Research Council
<b>IA</b>	Internal Audit
<b>ICT</b>	Information and Communication Technology
<b>International IDEA</b>	International Institute for Democracy and Electoral Assistance
<b>IEC</b>	Independent Electoral Commission
<b>IFES</b>	International Foundation for Electoral Systems
<b>IFRS</b>	International Financial Reporting Standards
<b>IP</b>	Internet Protocol
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>LAN</b>	Local Area Network
<b>LGE</b>	Local Government Elections
<b>LIS</b>	Logistics Information System
<b>MANCO</b>	Management Committee
<b>MDDA</b>	Media Development and Diversity Agency

<b>MEO</b>	Municipal Electoral Officer
<b>MPLC</b>	Municipal Party Liaison Committee
<b>MRP</b>	Materials Requirement Plan
<b>MTEF</b>	Medium-term Expenditure Framework
<b>NAD</b>	National Address Dictionary
<b>NEHAWU</b>	National Education and Allied Workers Union
<b>NCRF</b>	National Community Radio Forum
<b>NICRO</b>	National Institute for Crime Prevention and the Rehabilitation of Offenders
<b>NLS</b>	National Language Service
<b>NNF</b>	National Negotiating Forum
<b>NPE</b>	National and provincial election
<b>NPLC</b>	National Party Liaison Committee
<b>PABX</b>	Private automatic branch exchange
<b>PBSU</b>	Programmable Barcode Scanning Unit
<b>PFMA</b>	Public Finance Management Act
<b>PLC</b>	Party Liaison Committee
<b>PPLC</b>	Provincial Party Liaison Committee
<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>PR</b>	Proportional representation
<b>TR</b>	Treasury Regulations
<b>REC 1</b>	Registration application form
<b>RS</b>	Regional supervisor
<b>SABC</b>	South African Broadcasting Corporation
<b>SADC</b>	Southern African Development Community
<b>SA GAAP</b>	South African Statements of Generally Accepted Accounting Practice
<b>SAIMAS</b>	Southern Africa Institute of Management Services
<b>SANCB</b>	South African National Council for the Blind
<b>SAP</b>	Systems, Applications and Products
<b>SAPA</b>	South African Press Association
<b>SAPICS</b>	South African Production and Inventory Control Society
<b>SAPS</b>	South African Police Service
<b>SARS</b>	South African Revenue Service
<b>SCM</b>	Supply Chain Management
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>SETA</b>	Sector Education and Training Authority
<b>SIEM</b>	Security Information and Event Management
<b>SMME</b>	Small, medium and micro enterprises
<b>SMS</b>	Senior Management Service
<b>SOP</b>	Standard operating procedures
<b>UNDP</b>	United Nations Development Programme
<b>USA</b>	United States of America
<b>VAT</b>	Value-added Tax
<b>VD</b>	Voting district
<b>VEC 10</b>	Overseas registration form
<b>VOIP</b>	Voice over Internet Protocol
<b>VSO</b>	Voting Station Operations
<b>WAN</b>	Wide Area Network



## 2. Strategic overview

### 2.1 Vision

To strengthen constitutional democracy through the delivery of free and fair elections in which every voter is able to record his or her informed choice.

### 2.2 Mission

The Electoral Commission is an independent and impartial permanent body created by the Constitution to promote and strengthen constitutional democracy in South Africa through the delivery of free and fair elections at all levels of government.

### 2.3 Values

To enable the Electoral Commission to serve the needs of stakeholders, including the electorate, political parties, the media and permanent and temporary staff, the organisation subscribes to the following organisational values:

#### i Following best practices:

- Stopping all forms of waste
- Driving for results and success
- Planning and working so as to maximise the use of all inputs

#### ii Being sensitive to race, culture, language, religion, disability and gender issues:

- Taking note of diversity in experience and ability
- Caring and showing respect for others

#### iii Being ethical, honest and truthful:

- Communicating in an open and honest way
- Carrying out our work independently and impartially
- Acting with integrity and opposing corruption
- Promoting the image and credibility of the Electoral Commission

#### iv Improving continuously:

- Maximising training and development opportunities
- Supporting and inspiring each other
- Fostering collaboration between teams and team members
- Fostering achievement of common goals

### 2.4 Strategic outcome-orientated goals

The strategic outcome-oriented goals of the Electoral Commission, as set out in Vision 2018, are to do the following:

- Promote principles of peaceful, free and fair elections
- Improve organisational efficiency and effectiveness
- Manage free and fair elections
- Strengthen electoral democracy through education for public participation
- Support the core business of the Electoral Commission

# 3. Legislative mandates

## 3.1 Constitutional mandate

In terms of Section 190 of the Constitution of the Republic of South Africa, Act No 108 of 1996, the Electoral Commission must do the following:

- (a) Manage elections of national, provincial and municipal legislative bodies in accordance with national legislation
- (b) Ensure that those elections are free and fair
- (c) Declare the results of those elections within a period that must be prescribed by national legislation and that is as short as reasonably possible

## 3.2 Legislative mandates

The duties and functions of the Electoral Commission are defined in section 5 of the Electoral Commission Act, Act No 51 of 1996. These include to the following:

- (a) Manage any election
- (b) Ensure that any election is free and fair
- (c) Promote conditions conducive to free and fair elections
- (d) Promote knowledge of sound and democratic electoral processes
- (e) Compile and maintain a voters' roll by means of a system of registering eligible voters by utilising data available from government sources and information furnished by voters
- (f) Compile and maintain a register of parties
- (g) Establish and maintain liaison and cooperation with parties
- (h) Undertake and promote research into electoral matters
- (i) Develop and promote the development of electoral expertise and technology in all spheres of government
- (j) Continuously review electoral legislation and proposed electoral legislation, and make recommendations in connection therewith
- (k) Promote voter education
- (l) Promote cooperation with and between persons, institutions, governments and administrations for the achievement of its objects
- (m) Declare the results of elections for national, provincial and municipal legislative bodies within seven days after such elections
- (n) Adjudicate disputes that may arise from the organisation, administration or conducting of elections and that are of an administrative nature
- (o) Appoint appropriate public administrations in any sphere of government to conduct elections when necessary

The duties and functions of the Electoral Commission in respect of elections are also defined in the Electoral Act, Act No 73 of 1998. This Act deals, among other things, with the requirements for registration as a voter and the sealing of ballot boxes. It provides for the administration of elections, election timetables, procedures for voting, counting and determining results, the accreditation of observers and voter education. Regulations have been published in terms of the Electoral Act.

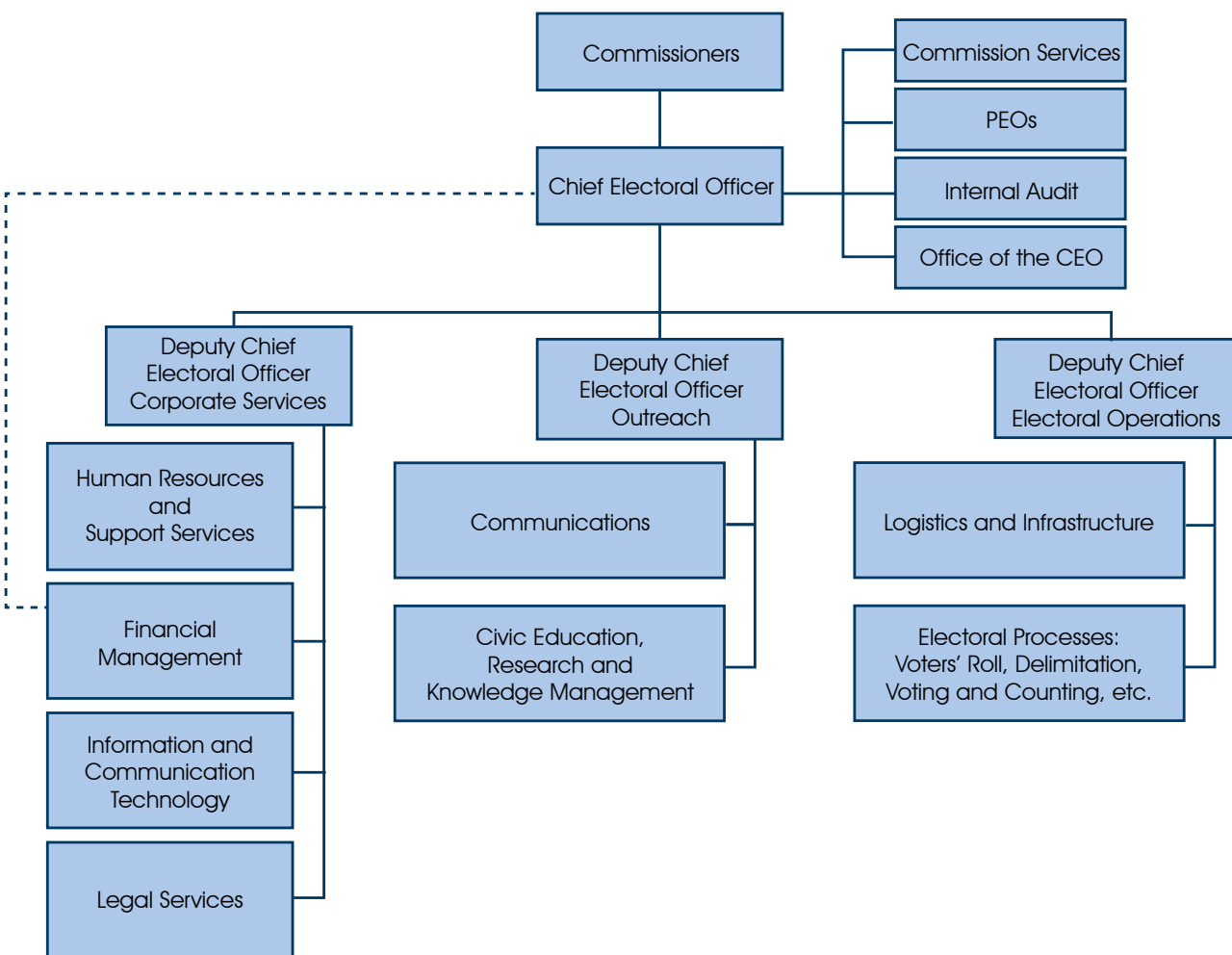
In addition to the provisions in the Electoral Act, the Municipal Electoral Act, Act No 24 of 2000, deals with the specific nature of local government elections. It provides for the administration of parties and candidates and all other related voting and counting issues. As in the case of the Electoral Act, appropriate regulations have been published in support of the provisions of this Act.

The Municipal Structures Act, Act No 117 of 1998, deals with the establishment, management and functions of the various municipalities, as well as seat calculation formulas (ie, the conversion of votes into seats). This legislation is required to conclude the results process.

## 3.3 Policy mandates

The Electoral Commission undertakes its work independently within the Republic of South Africa, but it is often called upon to assist in South Africa's international relations and to undertake electoral assistance in other countries. Where this happens, funding and permission are sought and obtained from the government of the Republic of South Africa.

# 4. Organisational structure



# 5. Foreword by the Chairperson

Adv Pansy Tlakula, Chairperson

**It gives me great pleasure to introduce the annual report of the Electoral Commission, which shows our stakeholders and the general public what the Commission has achieved in the 2012/13 financial year.**



Adv Pansy Tlakula

It has been another busy year, with many important developments in our work. As an organisation, the Electoral Commission has, over the years, distinguished itself with constant improvements in the services and facilities it offers to all its stakeholders. In the quest to reinforce this trend, it was appropriate for the new members of the Commission to once again reflect on its legal man-

date, obligations and the strategic objectives for their term of office. In line with this determination, the Commission adopted a programme that outlined the current members' vision. The programme is known as Vision 2018. The strategic thrusts that encompass Vision 2018 are as follows:

- (a) Achieving pre-eminence in the area of managing elections and referenda
- (b) Strengthening electoral democracy
- (c) Strengthening a cooperative relationship with political parties
- (d) Strengthening institutional excellence and professionalism at all levels of the organisation
- (e) Strengthening institutional governance

During this reporting period, the Commission consulted with its stakeholders on the new vision of the organisation. The Commission received positive and encouraging feedback during this consultative process and a commitment for strengthened collaborations, particularly with respect to the realisation of this vision.

This reporting period provided the Commission with an opportunity to achieve the objectives it set for itself, in line with Vision 2018. A number of initiatives were undertaken to ensure that the Electoral Commission remains the pre-eminent leader in the area of managing elections and referenda. Such initiatives include the proposal of legislative

amendments that seek to further extend to all South Africans, especially those who are currently abroad, an opportunity to exercise their right to vote.

In line with its quest to be at the forefront of innovation in the management of elections, the Electoral Commission pioneered a seminar on electronic voting (e-voting) and counting technologies. The purpose of the seminar was to unpack and analyse the concept of e-voting and what it means for the voting population in South Africa. The seminar was attended by major stakeholders in South Africa, including those in the information and communication technology industries and academia. There were also delegates from countries such as India, Brazil, Indonesia and Ireland, and representatives of international organisations such as the International Institute for Democracy and Electoral Assistance (International IDEA) and the International Foundation for Electoral Systems (IFES).

During the period under review, preparations for the 2014 national and provincial elections intensified. We also looked over the horizon, to map out changes in the way the Electoral Commission might better meet the needs of voters in coming years. The 2014 elections are an important milestone in the history of our democracy as we will be celebrating 20 years of peaceful and credible elections and democracy in South Africa.

In the reporting period, we continued with our efforts to strengthen electoral democracy in the country. Such efforts are evident in constructive deliberations held with a number of stakeholders, including various legislatures and civil society organisations. Of particular note is the consultative meetings that were held with representatives of the civil society sector countrywide to discuss collaboration in respect of three critical areas in the work of the Electoral Commission:

- (a) civic and democracy education
- (b) elections observation
- (c) conflict resolution

The purpose of these consultative meetings was to encourage citizens' participation, to provide continuous education, to cultivate an environment for free and fair elections, and more importantly, to provide strategic and thought leadership in electoral democracy.

The maintenance of the voters' roll comes into greater focus between elections. All staff members at the Electoral Commission are driven by a sense of responsibility to ensure that all South Africans have a chance to exercise their key democratic right to vote. This reporting period coincided with the release of the Census 2011 results by Statistics South Africa. The Electoral Commission scrutinised these results closely to identify gaps in relation to the voters' roll, especially as it pertains to its registration drives for the 2014 national and provincial elections. Currently, there are 23 million registered voters on the voters' roll, while the potential voting population is 31 million people. Our goal is to close this gap, targeting primarily the youth, especially in age category of 18 to 21 years.

To accommodate the increasing number of voters on our voters' roll and to ensure the ease of accessibility of its facilities, the Electoral Commission increased the number of voting stations in the country from 20 859 to approximately 22 000.

A strong democracy needs equally strong and sustainable political parties with the capacity to represent citizens and provide policy options that demonstrate their ability to govern for the public good. As we move close the 20<sup>th</sup> anniversary of democracy in South Africa, it is encouraging to note there has been an increasing participation of citizens in electoral democracy in the country. During this reporting period, 63 by-elections were held countrywide. On average, 40% of registered voters participated in these elections, which represents a significant increase from an average of 15% in the previous periods.

The number of registered political parties bears testimony to the increase in citizen participation in our democracy. The number of registered political parties has increased to 216. This figure is expected to increase further as we approach the 2014 national and provincial elections. The Electoral Commission has put systems in place to accommodate this increase.

The pre-eminence of the Electoral Commission in electoral democracy goes beyond the borders of the Republic of South Africa. During this reporting period, the Commission has

received international delegations who visited the country to learn about its achievements and also to exchange expertise in electoral democracy. Such countries include Egypt, Lesotho, Kenya, Angola, Botswana and Zambia. The Electoral Commission also provided technical assistance to Guinea Bissau and engaged in an expertise exchange study tour to South Korea. The Electoral Commission further participated in various conferences and capacity-building workshops, and observed elections in countries such as the USA, Mexico, Kenya and Lesotho.

The Electoral Commission continues to receive full cooperation from government at municipal, provincial and national levels. The nature of the mandate of the Commission makes this cooperation a key element in the success of our democracy.

Notwithstanding the achievements made during this period, the Electoral Commission faces challenges in the achievement of its mandate. One of the challenges is reaching out to the youth, especially the first-time voters and people living with disabilities. The strategies of the Electoral Commission in the immediate future will be geared towards these sectors of the population of the country to ensure that, as the country celebrates 20 years of democracy, all its citizens are adequately informed of their civic duties towards this democracy.

Finally, the Commission would like to thank all its stakeholders for their unwavering support towards the achievement of its mandate. These stakeholders include Parliament, members of the Forum of Institutions Supporting Democracy, political parties and members of the civil society fraternity. Most importantly, the Commission would like to recognise its employees who have gone beyond expectations to ensure that the mission and vision of the organisation is kept alive and that the mandate the nation has set for this organisation is realised.



**Adv Pansy Tlakula**  
Chairperson: Electoral Commission





# 6. Chief Electoral Officer's Overview

Mosotho Moepya, Chief Electoral Officer

The Electoral Commission continued to build on its achievements of the past 16 years of existence. It continues to be highly regarded as an institution. Although there were no full-scale electoral activities such as general voter registration or general elections during the period under review, the Electoral Commission was occupied with a number of projects.



Mosotho Moepya

Members of the Commission adopted Vision 2018 as a strategic thrust for their term of office. As an institution, we have integrated this new vision into our plans. While this will be the focus of our next annual report, we can report that several new initiatives have already seen the light during the past financial year.

For the purposes of the strategic plan and annual performance plan, which form the basis of this annual report, we developed several new indicators and targets to better measure our performance. We are pleased that, with a few exceptions, we have either met or exceeded our performance targets.

## Goal 1: Promote principles of peaceful, free and fair elections

The Electoral Commission fell short of its target with regard to the number of meetings with relevant stakeholders. However, the difference between the target and the actual achievement was not significant and does not pose cause for concern, since it involves the rescheduling of two meetings.

In the area of international work, however, we far exceeded our targets. We continue to be inundated with requests to host international delegations who wish to study our systems and share information with us. In addition, we are often called upon to participate in electoral observation missions and technical assistance programmes.

## Goal 2: Improve organisational efficiency and effectiveness

The institution has embraced the challenge of managing performance information, as well as the management of risk. While these processes are still maturing, we have managed to meet all our targets in this area. We have a sound reporting regime, but are still considering ways to improve our performance in this area.

One significant area that requires attention is the monitoring of legal compliance. While legal compliance is being achieved through a number of mechanisms, the process must still be consolidated and embedded within the Electoral Commission.

## Goal 3: Manage free and fair elections

The Electoral Commission exceeded all its targets in terms of this strategic objective.

Significantly, the target of 22 852 715 registered voters set for the reporting period was exceeded by 316 701. This success was mostly due to our ongoing voter registration activities. This has also been aided by fewer deaths of registered voters in comparison to previous periods.

During the period under review, the Electoral Commission focused on reviewing past performances during the most recent general elections and starting preparations for the next full-scale elections, which are anticipated to be in 2014. Part of this review included the review of the voting district and voting station networks. This is all in an effort to facilitate the ease with which voters register and vote.

Liaison with political parties remains an important element of our work, even between general elections. Due to a number of by-elections during the period under review, we exceeded our performance targets for the number of formal meetings of party liaison committees. The reflected achievement does

not include the informal contact with, and inquiries from, political parties.

**Goal 4: Strengthen electoral democracy through education for public participation**

We exceeded our target for the number of civic and voter education events. During the period under review, we conducted 4 875 educational events and directly reached 609 676 participants. This is the result of the more targeted attention that this area of our work is receiving.

We, however, fell short of our target with respect to the number of educational materials to be distributed. We are constantly examining more cost-effective ways to reach audiences, for example, through social media. In addition, as we gear up for full-scale electoral activities in the next financial year, we will meet this target.

We exceeded our target in the area of research. One of the highlights was a seminar on electronic voting and counting technologies, which was based on a research project that we conducted. The seminar brought together stakeholders from both inside and outside the country and stimulated insightful debate on the topic.

Even during this period, when there were no general voter registration activities or elections, the Electoral Commission continued to receive positive attention from the media. The media remains an important partner in our efforts to reach the voters. We will therefore continue to build this relationship.

**Goal 5: Support the core business of the Electoral Commission**

Our human resource capital is key to our success as an institution. We therefore invest in our employees through wellness programmes, as well as staff development and training interventions.

The area of financial management, which forms a significant part of this report, has shown marked improvement. We have systematically addressed both internal and external audit findings and have strengthened our internal controls, as well as our policies and procedures.

Information and communication technologies provide essential support to the operations of the Electoral Commission. In this area we have also identified ways in which we can improve. This revolves mainly around the documentation of our processes and the attention to disaster recovery. Work in this area has progressed well.

As we reflect on the year behind us, we are acutely aware of the challenges that lie ahead as we begin to gear up for the elections scheduled to take place sometime in 2014. This will be the main focus of our activities for the next financial year.



**Mosotho Moepya**  
Chief Electoral Officer: Electoral Commission



# PART B

Performance information



SOUTH AFRICA

# 1. Statement of Responsibility for Performance Information

for the year ended 31 March 2013

The Chief Electoral Officer is responsible for the preparation of the Electoral Commission's performance information and for the judgements made in this information.

The Chief Electoral Officer is responsible for establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the information on performance against predetermined objectives fairly reflects the performance of the Electoral Commission for the financial year ended 31 March 2013.



**Mosotho Moepya**  
Chief Electoral Officer

## 2. Auditor-General's Report: Predetermined Objectives

The Auditor-General conducted audit procedures on the performance information for usefulness and reliability, compliance with laws and regulations and internal control.

There were no material findings on the report on predetermined objectives.

Refer to page 69 of the Auditor-General's Report, included in Part E: Financial Information.

# 3. Overview of the Electoral Commission's performance

## 3.1 Strategic outcome-oriented goals

Goal 1	Promote principles of peaceful, free and fair elections
Goal statement	Liaise with relevant stakeholders nationally and internationally in order to promote knowledge of and adherence to democratic electoral principles
Goal 2	Improve organisational efficiency and effectiveness
Goal statement	Provide strategic direction and monitor implementation of and adherence to organisational policies and achievement of goals and objectives to improve efficiency and effectiveness for the period covered by this plan
Goal 3	Manage free and fair elections
Goal statement	Organise and manage regular elections through the participation of political parties (including independent candidates) and voters, and declare results thereof within the prescribed timeframe
Goal 4	Strengthen electoral democracy through education for public participation
Goal statement	Continuously inform and educate the public on democracy and electoral processes, with a view to strengthening participation in electoral democracy in every electoral event
Goal 5	Support the core business of the Electoral Commission
Goal statement	Provide enabling business processes and systems with respect to the financial management, information and communication technology, human resources management, facilities management and legal services to efficiently and effectively support the core business of the Electoral Commission

## 3.2 Service delivery environment

As our democracy matures and political parties become ever more sophisticated, the Electoral Commission finds itself increasingly dealing with a litigious environment. Escalating tension (or unrest) and service delivery protest, coupled with the uncertain economic climate, will have an impact on the environment leading up to the elections.

While the Commission has only dealt with represented parties in its party liaison committees in the past, it has become evident that parties that are currently unrepresented often contest elections, sometimes at the last moment. This results in a situation where they are deprived of the consultative and informative processes that take place with the represented parties.

The Electoral Commission is monitoring the pending legislative amendments regarding out-of-country voting and special voting. Developments in this area may have significant resource implications.

As a developing democracy, the stepping up of civic education initiatives and programmes has been identified as one of the priorities of the Electoral Commission. One area of focus over the past year, and onwards in the run-

up to the next election, is the rate of registration of young voters and specifically those citizens born after 1994 ("the born frees"). Increased visibility of outreach programmes, especially among the youth (people in the age group 18 to 35), and specifically at educational institutions, is one of the key components of the Electoral Commission's strategy going forward.

A concerted effort is being made by both the Electoral Commission and the sector of persons with disabilities to provide easier access to voters in that sector. This emphasis is anticipated to increase and may potentially impact on the cost of elections.

Access to information and the provision of information in diverse formats and on diverse platforms, including the proactive use of new media and social platforms, will impact on future communication campaigns.

Following its establishment in 1997, the Electoral Commission set out to establish a sustainable electoral administration by using, among other things, existing infrastructure in municipal councils at little or no cost, both in terms of infrastructure and temporary personnel with electoral experience. This situation has changed rapidly as municipalities are finding it increasingly difficult to provide (free or paid) accommodation



to Electoral Commission staff, since they have no spare capacity. The additional budget pressures created by the need to move into commercial premises are currently being addressed within the Commission's existing allocations.

It is also no longer possible for the Electoral Commission to use the Municipal Manager as its local representative and more experienced municipal officials are often unavailable, sometimes due to the sheer volume of the workload of such individuals in some municipalities.

The creation of regional supervisor posts in 2008 greatly improved the supervision of municipal structures and staff members but "one-person offices" resulted in bottlenecks at election times. Capacity challenges at a local level needed to be addressed. In particular, administrative support to the 52 regional supervisors became necessary. This additional capacity was created at a regional level to allow for flexibility to mobilise staff to a one-person office, should the need arise.

### 3.3 Performance environment

To satisfactorily resolve or cope with the situations described above, it became essential for the Electoral Commission, inter alia, to attend to the following in preparation of the national and provincial registration drives and the elections to be held in 2014 and 2016:

- (a) Pay tariffs commensurate with the realities of attracting a more mature and experienced Election Day staff complement
- (b) Substantially improve on and increase the amount of training provided to such electoral staff
- (c) Adjust its capacity to be able to deal with complaints, objections, disputes and court cases, as well as conflict resolution management
- (d) Further increase the focus on democracy and voter education, as well as the dissemination of information through civil society and the media
- (e) Deal with the cost escalations in the logistical field, especially with regard to printing and the increased cost due to diminishing municipal support
- (f) Maintain the measures aimed at transparency with elections that were introduced with the national and municipal elections in respect of information and communication technology (ICT) systems

### 3.4 Overview of the organisational environment

The Commission comprises five members, one of whom is a judge, appointed by the President. The Chairperson and Vice-Chairperson of the Commission are designated by the President from among members of the Commission. The term of office of four of the commissioners expired in October 2011 and four new commissioners were appointed.

The Commission appoints the Chief Electoral Officer, who must be suitably qualified and experienced for the position. The Chief Electoral Officer is the Head of Administration and the Accounting Officer of the Electoral Commission. The Chief Electoral Officer also performs other duties and functions assigned to him or her by the Commission, the Electoral Commission Act, or any other law. The Chief Electoral Officer appoints officers and employees of the Electoral Commission in consultation with the Commission.

The organogram of the Electoral Commission provides for 928 positions. The staffing establishment provides for three deputy chief electoral officers (DCEOs) – one for each of the following divisions: Corporate Services, Outreach and Electoral Operations. There is one Provincial Electoral Officer for each provincial office of the Electoral Commission. The structure of the Electoral Commission has remained stable with key personnel also retained.

### 3.5 Key policy developments and legislative changes

An Electoral Amendment Bill to effect amendments to the Electoral Act of 1998 was drafted, primarily flowing from two Constitutional Court judgments. At the time of drafting this report, the bill has been published for comment in *Government Gazette* Volume 574 number 36401 of 23 April 2013.

In the matter of Minister of Home Affairs vs National Institute for Crime Prevention and the Rehabilitation of Offenders (NICRO) and Others (CCT 03/04), the Constitutional Court struck down as unconstitutional words in subsection (1) and subsection (2) of section 24B of the Act providing that prisoners serving a sentence of imprisonment without the option of a fine could not vote in elections for the National Assembly or a provincial legislature. In the proposed clause 3 of the Bill, section 24B has been formally amended accordingly.

In the matter of Richter vs Minister of Home Affairs and Others (CCT03/09 and CCT09/09), the Constitutional Court found that the limitation of the right to a special vote when abroad on Voting Day to various categories of South African citizens was inconsistent with the Constitution. More specifically, the court found the words "temporary" and for "purposes of a holiday, a business trip, attendance of a tertiary institution or an educational visit or participation in an international sports event", as they appeared in section 33(1)(e) of the Act, to be unconstitutional and invalid. The primary amendment necessitated by the Richter judgment was therefore the formal deletion of the invalidated words from section 33(1)(e) of the Act.

The bill also addresses a small number of other practical and technical issues that are not contentious.

The introduction of smart card technology in respect of identity documents, when implemented by the Department of Home Affairs, will have significant systems implications for the Electoral Commission and may lead to some policy changes.

The Electoral Commission has considered the results of Census 2011, released by Statistics South Africa, and identified gaps between census data and registered voters. Action plans are in place to address these gaps.

There is an increasing trend towards the administration of legislative elections other than those specified in the

Electoral Act, as well as other non-legislative elections, which the Electoral Commission is often called upon to undertake from time to time. Examples of these include assistance with the elections of various school governing bodies, student representative councils, traditional councils, taxi associations, trade unions, professional bodies and/or associations, and elections for commercial enterprises. The Electoral Commission, by administering these elections, seeks to entrench the basic tenets of electoral democracy in the country.

The continuous development and improvement in technology increasingly pose opportunities and challenges to the Electoral Commission. In this regard, the Electoral Commission has embarked on research to establish what the implications of e-voting in South Africa are likely to be.

### 3.6 Summary of revenue collection

Sources of revenue	2012/13			2011/12		
	Estimate amount R'000	Actual amount collected R'000	(Over)/under collection R'000	Estimated amount R'000	Actual amount collected R'000	(Over)/under collection R'000
Interest	5 506	5 853	(347)	19 151	10 268	8 883
Political party registration fees	-	8	(8)	-	4	(4)
Other operating revenue	-	236	(236)	-	322	(322)
<b>Total</b>	<b>5 506</b>	<b>6 097</b>	<b>(591)</b>	<b>19 151</b>	<b>10 594</b>	<b>8 557</b>

The Electoral Commission is primarily funded by means of a parliamentary grant. Sundry income consists largely of interest earned on cash and cash equivalents. These comprise cash and short-term, highly liquid investments that are held with a registered banking institution with maturities of three months or less and that are subject to insignificant interest rate risk. The notice deposits are carried at an effective floating interest rate that varied between 4.53% and 5.11% (2012: 4.90% and 5.43%).

As is required by Treasury Regulations 7.3.1 and 7.3.2, the Accounting Officer reviewed, when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. Details of the tariffs are included in the Accounting Officer's report to the annual financial statements included in this report.

All funds were accounted for and are disclosed in the annual financial statements.

### 3.7 Summary of payments according to programme

Programme name R'000	2012/13			2011/12		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Promote principles of peaceful, free and fair elections	8 129	6 775	1 354	5 195	7 138	1 943
Improve organisational efficiency and effectiveness	9 938	10 046	(108)	6 844	10 308	3 464
Manage free and fair elections	132 628	134 677	(2 049)	373 999	566 307	192 308
Foster public participation with a view to deepen democracy	43 270	24 781	18 489	60 403	89 417	29 014
Support the core business of the Electoral Commission	574 289	589 320	(15 032)	408 391	642 068	233 677
<b>Total</b>	<b>768 254</b>	<b>765 600</b>	<b>2 654</b>	<b>854 832</b>	<b>1 315 238</b>	<b>460 406</b>

The allocation for the year ended 31 March 2011 was compiled under the assumption that the 2011 municipal elections would be held in that financial year. When it became apparent that the elections would be held in the next financial year, a ring-fencing exercise was undertaken and R469 746 073 of expenditure was identified that would only be used in the 2011/12 financial year. This amount was effectively a planned overspend in 2011/12. The actual overspend was R460 406 281, an actual underspend of R9 339 792 with regard to the original plan.

The differences between budgeted spend and actual spend in 2012/13 relate mainly to the differential between expenditure on assets and depreciation. Due to the manner in which the budget is formulated for the Electoral

Commission, ie, on a cash basis, capital spend is included in the budget. However, actual spend reflected in the annual financial statements is included on the accruals basis, and, thus, the asset spend is not included. However, depreciation is accounted for.

### 3.8 Capital investment, maintenance and asset management plan

The Electoral Commission has a relatively small asset base. Premises occupied by the various administrative offices are rented under lease agreements and, thus, assets comprise mainly furniture, fittings, computer hardware and software, and vehicles.

# 4. Performance Information by Programme

## 4.1 Programme 1: Commission Services

**Commission Services** facilitates the promotion of the principles of peaceful, free and fair elections. This includes interaction and liaison with organisations, institutions and governments (nationally and internationally) in order to promote the acceptance of and adherence to democratic electoral principles. Included are international bodies such as the International Institute for Democracy and Electoral Assistance (International IDEA), the Southern African Development Community (SADC) Electoral Commissions Forum, the African Union (AU), the Association of African Electoral Authorities, the Commonwealth and the United Nations.

The Electoral Commission observes elections and provides technical election support when requested to do so on the African continent and beyond. There are four permanent staff members in the unit who provide support in achieving the strategic goal and objectives of this programme.

### Strategic Objective 1.1 linked to Strategic Goal 1

Promote knowledge of and adherence to democratic electoral principles nationally.

### Strategic Objective 1.2 linked to Strategic Goal 1

Position the Electoral Commission as a continuously improving organisation through ongoing interaction and liaison with relevant international stakeholders.

### Key performance measures and their targets and actual results

Performance indicator		Actual Achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
1.1.1	Number of meetings with relevant stakeholders	9	25	24	(1)	15	The meeting of the Forum of Institutions Supporting Constitutional Democracy was postponed from 28 March 2013 to a date in the new financial year.  The oversight visit by the Portfolio Committee on Home Affairs was postponed from 5–8 February 2013 to April.
1.2.1	Number of interactions with relevant stakeholders	29	12	36	24	7	During the current financial year, the Commission received an unprecedentedly high number of international delegations, requests for study tours, technical assistance and elections observation missions.

During the period under review, the Commission continued to play a role at the forefront of promoting electoral democracy in South Africa and internationally.

Locally, the Commission held meetings with various stakeholders to promote knowledge of and adherence to democratic electoral principles. These stakeholders included the Minister of Home Affairs, the Portfolio Committee on Home Affairs, the Forum of Institutions Supporting Constitutional Democracy, and the legislatures of the Northern Cape, Western Cape, Limpopo, Mpumalanga, Free State and Gauteng. Meetings with other stakeholders such as civil society organisations, traditional leaders and faith-based organisations also took place during this period.

In addition to the above, the Commission further interacted with relevant international stakeholders in advancing electoral democracy globally. The various interactions that were undertaken were either on the initiative of the Commission or were solicited by its counterparts and relevant international organisations. Liaison and interaction with various international stakeholders took various forms, including the following:

- (a) capacity-building
- (b) elections observation
- (c) fulfilment of international obligations in regional and international organisations

- (d) workshops and conferences
- (e) study tours
- (f) technical assistance

In addition to the above, the Electoral Commission proved to be one of the favourite destinations for capacity-building study tours by various international stakeholders. For this purpose, the Electoral Commission prepared programmes, presentations and other materials that were shared with the visitors. These occasions were also utilised to share ideas and best practices. Some of the institutions that visited the Commission during this period included the High Elections Commission of Egypt, the Electoral Commission of Lesotho, the Electoral Commission and Members of Parliament from Uganda, Members of the Electoral Commission of Zambia, and the Ministry of Interior in Angola.

The Commission also participated in events of international organisations, such as the Commonwealth Working Group on Elections, the United Nations Development Programme's orientation of new commissioners in the SADC region, the Cambridge Commonwealth Conference on Elections and the Association of European Election Officials (ACEEEO). These events provided an opportunity for the Commission to entrench itself at the forefront of electoral democracy internationally.

### Summary of payments according to subprogramme

Subprogramme	2012/13			2011/12		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Promote principles of peaceful, free and fair elections	8 129	6 775	1 354	5 195	7 138	(1 943)
<b>Total</b>	<b>8 129</b>	<b>6 775</b>	<b>1 354</b>	<b>5 195</b>	<b>7 138</b>	<b>(1 943)</b>

## 4.2 Programme 2: Office of the CEO (including Internal Audit)

The Office of the Chief Electoral Officer (CEO) monitors the implementation of and adherence to the Commission's strategic priorities and organisational policies. Furthermore, this Office ensures the achievement of goals and objectives to improve the effective and efficient functioning of the Electoral Commission and the general controls environment. There are four permanent staff members in the unit who provide support in achieving the strategic goal and objectives of this programme.

### Strategic Objective 2.1 linked to Strategic Goal 2

Ensure the implementation of the Electoral Commission's strategic goals and objectives, aligned with the corresponding budget allocation.

### Strategic Objective 2.2 linked to Strategic Goal 2

Provide assurance and value-adding oversight.

### Strategic Objective 2.3 linked to Strategic Goal 2

Ensure compliance with all legal obligations and the management of risks emanating from or anticipated in respect of all programmes.



## Key performance measures and their targets and actual results

Performance indicator		Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
2.1.1	Number of quarterly reports submitted	New target	4	4	-	Not applicable	-
2.1.2	Number of annual reports in place	New target	1	1	-	Not applicable	-
2.2.1	Number of risk-based annual internal audit plans approved	New target	1	1	-	Not applicable	-
2.2.2	Number of quarterly progress reports submitted to the Audit Committee	New target	4	4	-	Not applicable	-
2.3.1	Develop and adopt a consolidated process for monitoring legal compliance by the end of the 2012/13 financial year. Implement and maintain the consolidated process during the remaining two years.	New target	Embedded process in place	The Commission adopted the Risk Management Framework on 17 August 2012. Awareness training has taken place.	The process has begun, but is not yet completed.	Not applicable	The process of monitoring legal compliance forms part of the broader review of risk management. The positioning of legal compliance monitoring within the Electoral Commission is currently under review as part of a work study project.
2.3.2	Quarterly review and update of the organisation's strategic risk register	New target	4 updates recorded	4 updates recorded	0	Not applicable	-

## OFFICE OF THE CEO

### Performance information management

The Commission's 2012 annual report was tabled in the National Assembly on 27 September 2012.

The Commission adopted a strategic plan and annual performance plan for the following financial year on 28 November 2012. Both plans were tabled in the National Assembly on 14 March 2013.

For the financial year under review, the CEO submitted quarterly performance reports to the commissioners. These reports outlined performance against the strategic objectives of the Electoral Commission and they form the basis for this annual report.

### Risk management

The Commission approved a risk management policy on 13 April 2012. Thereafter, it approved a risk management framework (on 17 August 2012) and a business continuity policy (on 23 November 2012).

During the period under review, the risk management framework and the business continuity policy have been rolled out to all departments and provincial offices of the Electoral Commission. The Executive Risk Management Committee met quarterly, and at these meetings, the Committee reviewed the Electoral Commission's strategic risk register, as well as all the operational risk registers.

The Executive Risk Management Committee has developed a risk management implementation plan, which forms the basis for its reporting to the commissioners and to the Audit Committee.

An annual review of the strategic risk register took place as part of the Electoral Commission's strategic planning session in November 2012.

The post of Chief Risk and Legal Compliance Officer is currently vacant. The grading and positioning of this post within the organogram is the subject of a work study that is currently under way.

## INTERNAL AUDIT

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the operations of the Electoral Commission. The objective of Internal Audit is to assist the Electoral Commission to accomplish its objectives by using a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. To this end, Internal Audit operated in terms of a mandate approved by the Audit Committee and endorsed by the Accounting Officer and the Commission, the mandate of which is consistent with the provisions of the Public Finance Management Act (PFMA) and National Treasury's internal audit framework.

During the period under review, Internal Audit executed 74% of the audit assignments approved by the Audit Committee in the 2012/13 risk-based internal audit plan through deployment of the co-sourced service providers at the national, provincial and selected municipal electoral offices of the Electoral Commission. The implementation of the internal audit plan commenced after the appropriateness and timing of the audits, reviews and advisory services were discussed with and supported by the Accounting Officer.

The following frameworks were piloted during the year under review and will be ready for implementation in the next financial year:

- (a) Framework for optimising assurance to the Audit Committee, Accounting Officer and Commission
- (b) Framework for developing a risk-based internal audit plan in the Electoral Commission
- (c) Framework for assessment of the control environment towards formulating and expressing internal audit opinions

The frameworks mentioned above have been updated with lessons learnt during the pilot phase and will be ready for implementation in the next financial year after agreeing on the controls and rating scale that management will be using, following Audit Committee and Commission approval of a combined assurance model.

In addition, the pilot for aspects of management audits and/or operational auditing was concluded at the provincial level, with audit effort still focused on the regional supervisor levels and fieldwork conducted at selected reporting local offices, while the overall provincial audit approach maintained a 60% compliance on the auditing focus.

## Summary of payments according to subprogramme

Subprogramme	2012/13			2011/12		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Improve organisational efficiency and effectiveness	9 938	10 046	(108)	6 844	10 308	(3 464)
<b>Total</b>	<b>9 938</b>	<b>10 046</b>	<b>(108 )</b>	<b>6 844</b>	<b>10 308</b>	<b>(3 464)</b>

### 4.3 Programme 3: Electoral Operations (including Delimitation, Voting, Counting and Results, Voters' Roll, Registration, Candidate Nomination and Party Liaison, Logistics and Infrastructure)

**Electoral Operations** facilitates the participation of parties and voters in regular free and fair elections, using people and sustainable systems and processes. Activities included are the delimitation of boundaries, maintenance of the national voters' roll, the planning and coordination of activities during registration weekends, on Election Day and on special voting days, and for home visits.

Electoral Operations also provides the logistics, warehousing and distribution infrastructure, such as voting stations and municipal electoral offices, electoral materials and equipment as specified on the bill of materials, and voting station staffing.

This programme further provides for ongoing liaison platforms with registered political parties and independent candidates. There are 702 permanent personnel in the unit who provide

support in achieving the strategic goal and objectives of this programme.

The staff structure is expanded significantly during election periods when additional resources are imperative to cope with the huge workload and difficult logistical arrangements.

**Strategic Objective 3.1 linked to Strategic Goal 3**  
Facilitate voter participation.

**Strategic Objective 3.2 linked to Strategic Goal 3**  
Administer political parties.

**Strategic Objective 3.3 linked to Strategic Goal 3**  
Administer the election of representatives (statutory).

**Strategic Objective 3.4 linked to Strategic Goal 3**  
Define, specify and procure election material and equipment for all electoral events.

**Strategic Objective 3.5 linked to Strategic Goal 3**  
Establish infrastructure and personnel to meet operational demands for each electoral event.

### Key performance measures and their targets and actual results

Performance Indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
<b>3.1.1</b> Frequency that voters' roll is checked against national population register for an up-to-date and accurate voters' roll (number of checks per annum)	12	12	12	-	-	-
<b>3.2.1</b> Number of meetings with members of party liaison committees (PLCs) at national (10), provincial (54) and municipal (1 170) levels	1 695	1 234	1 325 (5 national, 49 provincial and 1 271 municipal)	91	(370)	There was a higher level of political activity than was targeted.

Performance Indicator		Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
3.2.2	Funding of political parties – number of disbursements to parties	4	4	4	-	-	-
3.3.1	Percentage of elections for which voters' roll is certified in accordance with election timetables	100	100	100	-	-	-
3.3.2	Average number of calendar days in which elections are conducted from date of vacancy	90	90	67	23	23	The basis on which the indicator is calculated changed between 2011/12 (where it is stated at the maximum number of days) and 2012/13 (where it is stated as the average number of days). The data is thus not comparable.
3.3.3	Average number of calendar days in which to replace proportional representation (PR) seat vacancies	35	35	15	20	20	The reduction in the number of days taken to fill PR vacancies was achieved by a combination of improved communications between offices of the Electoral Commission, as well as process improvements.
3.3.4	Average time period in calendar days in which election results are announced by the Electoral Commission	3	7	1	(6)	(2)	The indicator for 2011/12 measures the days taken to announce the results of the 2011 municipal elections, whereas the target and achievement for the 2012/13 year reflects the average number of days taken to announce the results of by-elections. These are not comparable.
3.3.5	Proportion of registered voters who vote – voter turnout	57.64%	Not applicable	Not applicable	-	-	

Performance Indicator		Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
3.4.1	Defined bill of materials (signed off) and specifications in place for each electoral event	New target	100% achieved	100% achieved	-	Not applicable	-
3.4.2	Sourced bill of materials in terms of PPPFA (Preferential Procurement Policy Framework Act), Treasury Regulations and organisational policies and within the timelines stipulated in the logistics procurement plan	New target	100% achieved	100% achieved	-	Not applicable	-
3.5.1	Number of voting stations resourced, secured and functional	20 868	Not applicable	Not applicable			
3.5.2	Number of schools used as voting stations for full-scale elections (at least 60%)	13 200 (68%)	Not applicable	Not applicable			
3.5.3	Number of warehouses, storage facilities and full-time distribution services available to support electoral events	10 / 237 / 1	10 / 234 / 1	10 / 234 / 1	-	0 / 3 / 0	Three municipalities merged and their storage facilities were thus no longer necessary.

## ELECTORAL MATTERS

### Voting district delimitation

During the 2012/13 financial year, a review was undertaken of the voting district (VD) delimitation and network of voting stations in preparation for the national and provincial elections in 2014. The objective of the project was to ensure that recent changes to the configuration of human settlements (urbanisation, depopulation and intra-urban migration) were adequately reflected in an updated VD delimitation set with a view to ensuring that voters have reasonable access to voting stations.

The outcome of the project is shown in the following table, which reveals a 7% increase in the number of VDs, compared with the local government elections in 2011. The predominantly rural provinces of the Free State, Limpopo, North West and KwaZulu-Natal received the greatest increase in the number of VDs in an attempt to further improve access to voting stations for rural communities.

## Change in the number of voting districts: Local Government Election 2011

Province	Number of voting districts	Number of voting districts as at 31 March 2013 (percentage change)
Eastern Cape	4 560	4 613 (1%)
Free State	1 320	1 523 (15%)
Gauteng	2 480	2 640 (6%)
KwaZulu-Natal	4 358	4 742 (9%)
Limpopo	2 781	3 062 (10%)
Mpumalanga	1 565	1 671 (7%)
North West	1 570	1 712 (9%)
Northern Cape	655	694 (6%)
Western Cape	1 570	1 579 (1%)
<b>Total</b>	<b>20 859</b>	<b>22 236 (7%)</b>

### Voters' roll and registration statistics

The voters' roll for the reporting period opened with 23 363 394 voters on 1 April 2012. The closing figure of 23 169 416 voters as at 31 March 2013 indicates a net decrease of 193 978 voters from the voters' roll, which translates to a 0.8% decline.

The target set for the reporting period was 22 852 715 registered voters. The Electoral Commission exceeded its target by having 316 701 more registered voters on the voters' roll. The number of deceased voters removed from the voters' roll during the reporting period was 369 323.

### Changes in the voters' roll

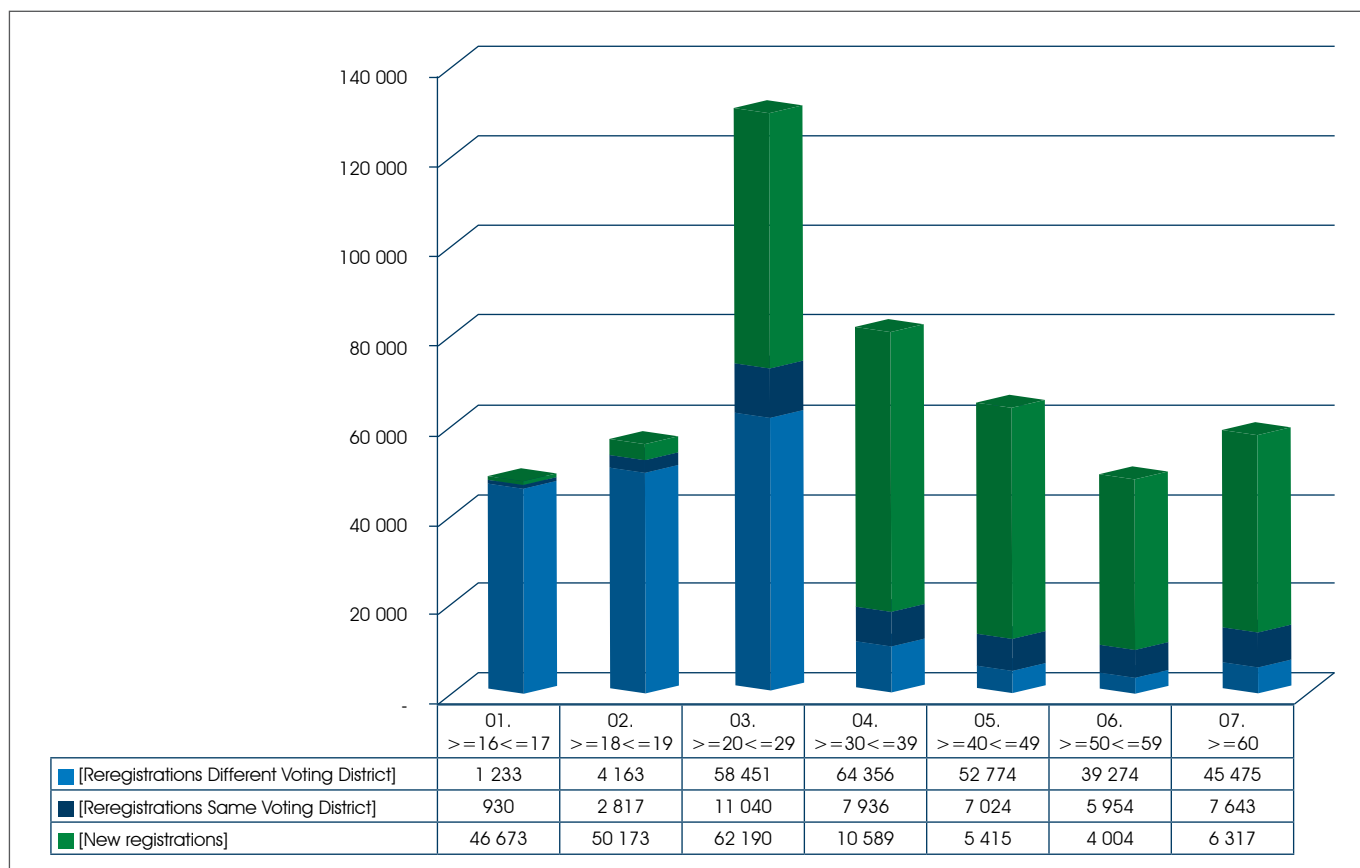
Province	31 March 2012	31 March 2013	Percentage decrease
Eastern Cape	3 065 912	3 038 538	0.9%
Free State	1 361 812	1 348 691	1.0%
Gauteng	5 523 490	5 459 457	1.2%
KwaZulu-Natal	4 599 385	4 570 851	0.6%
Limpopo	2 322 074	2 315 687	0.3%
Mpumalanga	1 694 958	1 677 140	1.1%
North West	1 553 559	1 549 824	0.2%
Northern Cape	562 607	555 882	1.2%
Western Cape	2 679 597	2 653 346	1.0%
<b>Total</b>	<b>23 363 394</b>	<b>23 169 416</b>	<b>0.8%</b>

### Continuous voter and specific registration events

The Electoral Commission continued to conduct registrations at its local offices, mostly situated within municipal offices, and during special registration weekends at registration stations for by-elections. In these special registration campaigns, voters are encouraged to verify the correctness of their registration details. This also presented opportunities for voters to change their registration details if their place of residence has changed.

New registrations among young people between the ages of 18 years and 29 years increased. A total of 112 363 young persons in these age bands took the opportunity to register. This accounted for 60% of all new registrations.





A total of 494 431 registration activities took place in the reporting period, as depicted in the table below.

### Overall registration activity by province: 1 April 2012 to 31 March 2013

Province	New registrations	Re-registrations (same voting district)	Re-registrations (different voting district)	Total
Eastern Cape	36 565	5 422	15 674	57 661
Free State	13 793	3 678	31 243	48 714
Gauteng	15 335	2 928	26 875	45 138
KwaZulu-Natal	42 855	18 667	84 379	145 901
Limpopo	28 085	2 943	40 100	71 128
Mpumalanga	11 509	2 805	17 338	31 652
North West	25 479	4 866	33 142	63 487
Northern Cape	3 637	731	6 516	10 884
Western Cape	8 103	1 304	10 459	19 866
<b>Total</b>	<b>185 361</b>	<b>43 344</b>	<b>265 726</b>	<b>494 431</b>

#### Verification of the voters' roll

The voters' roll is verified against the national population register on a monthly basis to ensure that those who are deceased are removed from the roll and that those who are making applications meet the legal requirements for voting. This monthly procedure enables the Electoral Commission to maintain an updated voters' roll for the purposes of electoral events.

#### Registration of political parties

Thirteen political parties were registered for the reporting period. Of these, 11 parties were registered at a national level, while two parties were registered at a municipal level.

#### Political party statistics

	National	Municipal	Total
Registered	11	2	13
Deregistered	0	0	0

### Liaison with political parties

The Electoral Commission Act mandates the Electoral Commission to maintain liaison with political parties. A total of 1 325 meetings were conducted in the three spheres of government (national, provincial and municipal). The National Party Liaison Committee (NPLC) held five meetings in the reporting period. Forty-nine Provincial Party Liaison Committee (PPLC) meetings were held at a provincial level and 1 271 Municipal Party Liaison Committee (MPLC) meetings were conducted at a local municipal level, amounting to a combined total of 1 325 meetings. The target set for the reporting period was 1 234 meetings in total, thus the target was exceeded by ninety one meetings.

### Party liaison committee meetings

	National	Provincial	Municipal	Total
National Office	5			5
Eastern Cape		6	180	186
Free State		4	81	85
Gauteng		2	41	43
KwaZulu-Natal		6	287	231
Limpopo		10	140	148
Mpumalanga		5	171	149
Northern Cape		0	111	115
North West		7	167	174
Western Cape		9	93	102
<b>Total</b>	<b>5</b>	<b>49</b>	<b>1 271</b>	<b>1 325</b>

### Ward by-elections

A total of 63 by-elections to fill ward vacancies was conducted in the period under review. The number of ward by-elections has steadily decreased over the past four reporting periods, from 139 by-elections in 2009/10, to 126 in 2010/11, 76 in 2011/12 and 63 in 2012/13.

Ward vacancies are required by law to be filled within 90 days of the date on which the vacancy occurs. All ward vacancies that occurred within the 2012/13 period were filled within 90 days, with the exception of two ward vacancies (Ward 22 of City of Cape Town and Ward 10 of Witzenberg) owing to court challenges that delayed the filling of vacancies – factors that were beyond the control of the Electoral Commission. On average, the 63 ward vacancies that arose were filled within 65 days – well within the 90-day legal requirement.

The reasons for the 63 ward vacancies in the period under review were due to the death of ward councillors (60%), resignation of ward councillors (33%) and the termination of councillor memberships from political parties (7%).

### Number of by-elections from 1 April 2012 to 31 March 2013

Province	By-elections	Number of voting districts	Number of wards	Number of registered voters
Eastern Cape	11	69	11	35 557
Free State	3	9	3	12 573
Gauteng	8	35	8	68 646
KwaZulu-Natal	16	89	16	91 967
Limpopo	5	18	5	20 171
Mpumalanga	6	27	6	29 991
North West	2	10	2	11 021
Northern Cape	3	8	3	10 160
Western Cape	9	42	9	70 785
<b>Total</b>	<b>63</b>	<b>307</b>	<b>63</b>	<b>350 871</b>

In terms of the Municipal Electoral Act, the Electoral Commission must announce election results within seven days of an election. The results of all 63 of the ward by-elections in the period under review were announced within a day of the by-elections.

### Proportional representation (PR) replacements

The Municipal Structures Act, Act No 117 of 1998, prescribes procedures for the replacement of councillors elected on a proportional basis from party lists onto municipal councils. If a councillor elected from a party list ceases to hold office, the CEO must declare in writing the person whose name appears at the top of the applicable party list to be elected in that vacancy within 14 days. A political party may elect to amend its lists of candidates, in which event such a party has 21 days to effect the amendment.

A total of 230 PR replacements were effected between 1 April 2012 and 31 March 2013, as depicted in the table below. These vacancies arose due to resignations, deaths and the expulsion of PR councillors for the reporting period.

### PR replacements

Period	Replacement count
1 April 2009 – 31 March 2010	<b>438</b>
1 April 2010 – 31 March 2011	<b>348</b>
1 April 2011 – 31 March 2012	<b>791</b>
1 April 2012 – 31 March 2013	<b>265</b>

### PR vacancies from 1 April 2012 to 31 March 2013

Province	PR vacancies
Eastern Cape	19
Free State	30
Gauteng	21
KwaZulu-Natal	54
Limpopo	26
Mpumalanga	24
Northern Cape	11
North West	16
Western Cape	29
<b>Total</b>	<b>230</b>

The resignation of councillors is the major reason for the PR vacancies that arise within municipal councils. In 136 of the cases, vacancies arose as a consequence of the resignation of councillors, representing 59% of all vacancies in the reporting period. Councillor expulsions account for 18% of the PR vacancies, while the death of councillors account for 22%.

### PR vacancies for 2012/13 according to category

Province	Councillor expulsion	Councillor resignation	Death of councillor	Total
Eastern Cape	0	15	4	19
Free State	2	23	5	30
Gauteng	2	17	2	21
KwaZulu-Natal	15	23	16	54
Limpopo	7	11	8	26
Mpumalanga	4	17	3	24
Northern Cape	1	6	4	11
North West	1	9	6	16
Western Cape	11	15	3	29
<b>Total</b>	<b>43</b>	<b>136</b>	<b>51</b>	<b>230</b>

## LOGISTICS

### By-election support

The following logistical support was provided for the 63 by-elections that occurred during the year:

- Management of the ballot paper generation (BPG) system. This system creates the images of individual ballot papers and result slips for each ward by-election.
- Creation of a bill of materials (BOM) and a materials requirement plan (MRP) for each ward by-election on the logistics information system (LIS).
- Management of the materials supply chain for by-elections. This includes the procurement, quality control, distribution and overall monitoring of electoral materials.

- Management and monitoring of security materials provisioning.

Electoral materials for by-elections were managed successfully – all inventories were replenished on time and within budget. The Electoral Commission's programmable bar code scanner units (PBSUs) (also known as zip-zips) were also deployed for the purposes of by-election voter registration and voting day support at voting stations.

### Electronic support systems

The Electoral Commission's LIS is a computerised system used for the planning, monitoring, management and control of electoral materials. A comprehensive BOM is created for each electoral event. By registering the BOM on the LIS, detailed MRP lists are produced to enable the accurate procurement and distribution of electoral materials.

The logistics information is accessible to all levels of the organisation – national, provincial and municipal.

The Systems, Applications and Products (SAP) system is utilised to record the movement of stock items – from procurement to final issue (at the point of consumption). This ensures effective materials management and accountability.

#### Distribution network

The logistics distribution network of the Electoral Commission consists of 10 warehouses – one central warehouse controlled from the national office and one warehouse in each of the nine provinces.

The Electoral Commission maintains minimal permanent resources in support of this process, in the interests of cost containment. Contracted-in resources, such as human capacity and vehicles, are utilised as needed at the appropriate scale.

#### Election preparations

In the latter part of the year, preliminary logistical preparations commenced in support of the national and provincial elections that are scheduled to take place in 2014.

Quantitative requirements, budgets, procurement and the distribution of election materials and equipment from a national level down to voting station level have been planned with precision to ensure the smooth execution of elections.

## INFRASTRUCTURE

#### Voting stations infrastructure

The Commission has increased its voting station network by 1 377 voting stations during the period under review, which represents a 7% increase in the voting station network as a prelude to the national and provincial elections of 2014.

One voting station is identified for each voting district, and operational details are regularly updated.

Fixed and permanent structures, especially schools, are preferred as voting stations.

Schools now make up 69% of the total number of permanent voting stations, which represents a 3% increase since the last reporting period.

The breakdown of voting station types is illustrated in the table below.

### Voting stations

Province	Voting districts	Permanent voting stations	Schools	Temporary voting stations	Mobile voting stations
Eastern Cape	4 616	4 472	79%	138	3
Free State	1 523	1 336	53%	181	6
Gauteng	2 640	2 178	63%	462	0
KwaZulu-Natal	4 739	4 576	76%	158	5
Limpopo	3 062	2 912	82%	150	0
Mpumalanga	1 671	1 590	68%	70	11
North West	1 712	1 597	61%	112	3
Northern Cape	694	670	34%	24	0
Western Cape	1 579	1 520	45%	57	2
<b>Total</b>	<b>22 236</b>	<b>20 851</b>	<b>69%</b>	<b>1 352</b>	<b>30</b>

Regular surveys of the voting station network are conducted countrywide to keep abreast of key infrastructural developments, as voting stations provide an essential platform for the delivery of elections. Continued emphasis is given to improving the quality of data available on the

Electoral Commission's voting station database, which is used to inform infrastructure initiatives and programmes.

The table on the following page illustrates the challenges relating to the availability of key facilities at voting stations.

## Voting station facilities

Province	Without electricity	Without water	Without sanitation
Eastern Cape	1 165	718	332
Free State	265	213	238
Gauteng	488	436	474
KwaZulu-Natal	857	722	262
Limpopo	231	436	284
Mpumalanga	135	143	97
North West	180	178	161
Northern Cape	67	54	58
Western Cape	62	70	80
<b>Total</b>	<b>3 450</b>	<b>2 970</b>	<b>1 986</b>

The Electoral Commission, through various interdepartmental and other task team initiatives, continuously seeks opportunities to enhance or develop facilities at existing voting stations – especially at schools and community centres – by cooperating with landlords, government departments and other stakeholders.

This aspect of work is receiving attention in the runup to the national and provincial elections of 2014.

### By-election support

Voting stations infrastructure was activated to support the 63 by-elections that occurred during the year. For the 2012/13 financial year, 307 voting stations were secured and equipped in support of by-elections to service 350 871 registered voters.

### Local (municipal) office infrastructure

The requirement for full-time resources to be permanently located at municipal level is necessitated by the day-to-day operational needs and election-related projects.

In response to these requirements, the Electoral Commission has established over 270 local offices in 234 municipalities throughout the country to provide service to the public and to deliver election projects at a local level.

The Infrastructure Section is responsible for establishing and maintaining infrastructural capacity for these offices, which are typically staffed by electoral project coordinators (EPCs) and election support staff.

To this end, a valid rental agreement is in place for every local office. Capacitation programmes are implemented to provide and maintain basic office equipment in the local offices.

The Electoral Commission appoints a local representative, known as the municipal electoral officer (MEO), in each of the 234 municipalities in the country. MEOs are often suitably qualified senior municipal employees, responsible for providing election-related assistance in their specific municipal areas.

MEOs are paid an honorarium to compensate them for their work. They facilitate cooperation between the Electoral Commission and their respective municipalities, and promote the functional relationship between the Electoral Commission and the municipality in the registration of voters and the management of elections. MEOs are not directly involved in the day-to-day operational matters.

The Infrastructure Section is also responsible for ensuring the existence of a valid MEO appointment for each municipal council.

## Summary of payments according to subprogramme

Subprogramme	2012/13			2011/12		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Manage free and fair elections	132 628	134 677	(2 049 )	373 999	566 307	(192 308 )
<b>Total</b>	<b>132 628</b>	<b>134 677</b>	<b>(2 049)</b>	<b>373 999</b>	<b>566 307</b>	<b>(192 308)</b>

## 4.4 Programme 4: Outreach (including Civic and Democracy Education, Research and Communication)

**Outreach** informs and educates the public on democracy and electoral processes, and manages the communication activities of the Electoral Commission. It also conducts research on the latest developments in elections and democracy.

There are 33 permanent staff members in the unit who provide support in achieving the strategic goal and objectives of this programme. The staff structure is expanded during election periods to assist with civic education programmes.

Outside of general elections, the Electoral Commission has an opportunity to strengthen electoral democracy through outreach programmes.

The Portfolio Committee on Home Affairs, a report on the review of Chapter 9 institutions, political parties and Parliament's Standing Committee on Public Accounts (SCOPA) have highlighted the need for more intensive voter and democracy education programmes to ensure that citizens are encouraged to actively participate in electoral events.

More importantly, their concern was that such interventions must be continuous and visible, particularly during the period between elections.

Budget allocations to date have been utilised to fund temporary staff capacity and civic society organisations. Issues have been identified with the current service delivery model, in that no provision has been made for a permanent resource that would provide for a sustainable solution. The implementation of a cohort of permanent local level professionally trained and experienced civic and democracy education (CDE) resources was piloted through fixed-term contracts in 2010/11 and partly in 2011/12. This temporarily addressed the challenge of the dearth of professionally trained and accredited civic education trainers.

**Strategic Objective 4.1 linked to Strategic Goal 4**  
Educate the public on democracy and electoral processes.

**Strategic Objective 4.2 linked to Strategic Goal 4**  
Position the Electoral Commission as a knowledge- and research-driven organisation on electoral democracy.

**Strategic Objective 4.3 linked to Strategic Goal 4**  
Communicate electoral processes to the public.

### Key performance measures and their targets and actual results

Performance indicator	Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
4.1.1 The number of voter education events	89 321	992	4 875	3 883	84 446	The basis for defining an event was considered and refined during the planning process, thus this indicator is not comparable year on year.
4.1.2 The number of projects with strategic partnerships	50	50	73	23	23	The success of the Electoral Commission's planned partnerships is due to sustained effort directed at cumulatively and continuously increasing and strengthening the range of its partnerships. There was an exponential increase in partnerships due to increased spontaneous requests from other organisations to be included in activities, particularly with corporate elections.



Performance indicator		Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
4.1.3	Quantity of educational materials disseminated	1 807 848	2 million	454,566	(1 545 434)	(1 353 282)	There was a lesser demand for printed material than anticipated. Some Braille materials scheduled for delivery at the end of the fiscal were delayed due to setbacks in sign-off between the Electoral Commission and the Braille authorities.
4.2.1	Number of research projects conducted	3	3	5	2	2	Additional research projects were conducted in preparation for the 2014 elections.
4.2.2	Design and implementation of knowledge management strategy and system	Draft policy submitted to the Policy Committee	System implementation	Policy was considered by the Policy Committee	Policy not approved	Not applicable	Delays were experienced in the policy approval process that will be addressed in the new year.
4.3.1	Number of targeted media interactions per annum	18 media releases 62 media interviews 12 media analysis reports	24 media releases 25 media interviews 12 media analysis reports	29 media releases 155 media interviews 11 media analysis reports	5 media releases 130 media interviews (1 media analysis report)	11 media releases 93 media interviews (1 media analysis report)	There was increased media interest as a result of events such as the e-voting seminar and consultations with civil society organisations, faith-based organisations and traditional leaders.
4.3.2	Number of external publications per annum	New target	1 annual report published	1 annual report published	-	Not applicable	-
4.3.3	Number of targeted communication platforms per annum	New target	(6) • Radio • Print • Digital/online • Facebook • Twitter • Mobile	(4) • Radio • Print • Facebook • Twitter	(-2) • Digital/online • Mobile	Not applicable	Digital/online and mobile platforms were not used.

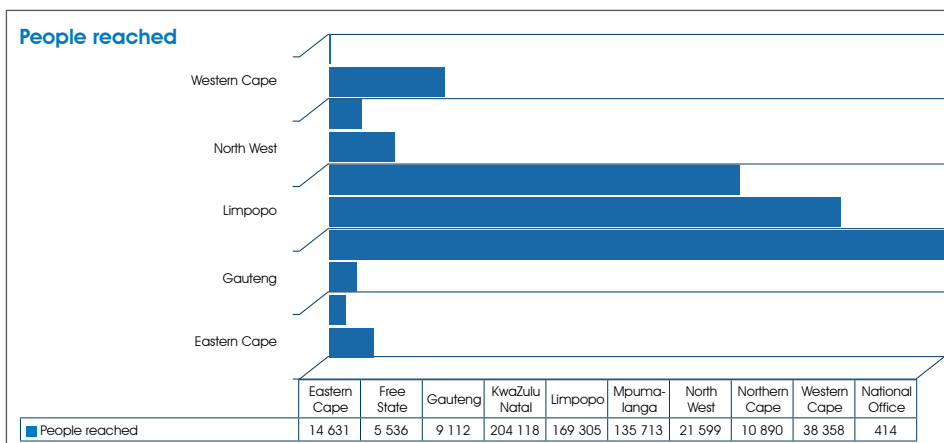
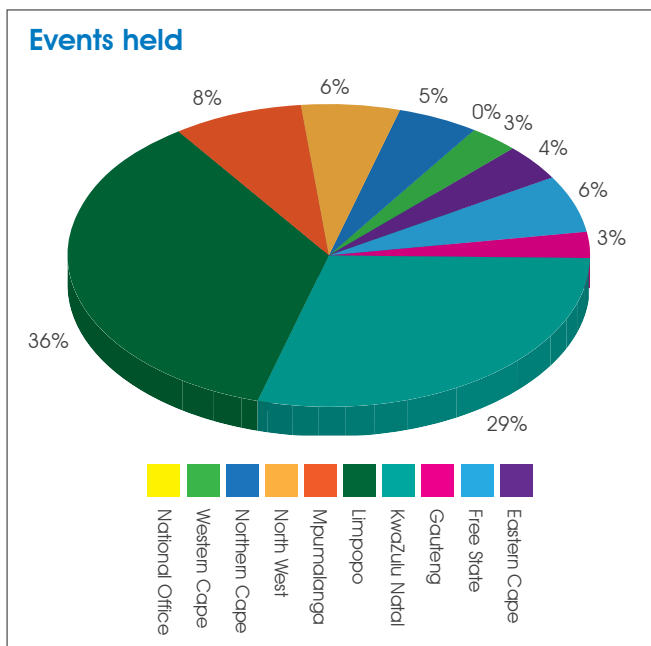
## CIVIC AND VOTER EDUCATION

Civic and Democracy Education (CDE), which encompasses voter education, plays a pivotal role in the electoral process by nurturing a sense of civic consciousness. Such democracy education is imperative for ensuring that conditions that are consistent with free and fair election are progressively realised.

The CDE programme pursues the following objectives:

- Promote a culture of democracy and human rights by creating and emphasising awareness of civic responsibilities.
- Promote and increase knowledge and understanding of electoral processes.
- Empower target groups and areas where voter turnout has been historically low to participate fully in electoral processes.
- Empower the electorate to participate in the voting process, resulting in a decrease in the number of spoilt ballots.

During the 2012/13 financial year, the Electoral Commission conducted 4 875 educational events.



Through these events, the Electoral Commission directly reached 609 676 participants, targeting diverse audiences in different localities.

### Vision 2018 and civic and democracy education

A highlight during the year under review was the Commission's adoption of Vision 2018. The new vision prioritises ongoing Civic and Democracy Education, and Outreach activities before, during and after elections. Intensified community outreach and increased visibility of outreach programmes that are rooted in communities are key components of the Electoral Commission's vision. This is in recognition of the strategic value of placing active citizenship at the heart of the national effort to deepen democracy in South Africa. Intensive CDE programmes ensure active citizenship.

### Stakeholder engagement

One of the strengths of the Electoral Commission is its ability to collaboratively engage diverse stakeholders across an array of functional disciplines in society at national, provincial and local level. Through the continuous building of strong relationships and partnerships with strategic stakeholders (which include Chapter 9 institutions, civil society organisations, faith-based organisations, the private sector, the disability sector, tertiary institutions, traditional leadership structures, state departments, mainstream and community media, and the public broadcaster), the Electoral Commission works towards strengthening constitutional democracy and promoting electoral democracy. This continuous engagement enhances the understanding of the electoral process, which enables stakeholders to mobilise their constituencies for participation in the elections.

During the 2012/13 financial year, key partnerships were forged and strengthened with civil society organisations (CSOs), faith-based organisations (FBOs), traditional leadership structures, the South African Broadcasting Corporation (SABC), the Media Development and Diversity Agency (MDDA), the National Community Radio Forum (NCRF), the Department of Basic Education, Chapter 9 institutions, the South African National Council for the Blind (SANCB), the Deaf Federation of South Africa (DeafSA) and various other organisations representing persons with disabilities.

Highly successful consultative meetings were held with CSOs, FBOs and traditional leadership to assess and strengthen partnering with them in delivering the 2014 elections. There was a tripartite thematic focus on the role of CSOs in enhancing the credibility of elections through elections observation, in promoting civic and voter education, and in election conflict resolution.

A national working committee has been established between CSOs and the Electoral Commission to coordinate the activities of civil society around electoral democracy work.

### **Democracy**

*Democracy*, a four-part television documentary that investigates democracy in South Africa, was televised on SABC 2 in January and February 2013. *Democracy* is part of the continuing partnership with SABC Education to ensure that citizens are continuously engaged on civic and electoral democracy matters.

The series provided information about political party registration processes, the various elements of the electoral process, the importance of free and fair elections, and the role and mandate of the Electoral Commission.

## **RESEARCH AND KNOWLEDGE MANAGEMENT**

Research and Knowledge Management pursues the following objectives:

- (a) Conduct key research studies to inform and influence the Electoral Commission's work
- (b) Continuously spearhead electoral democracy knowledge creation and production by coordinating the development of print, multimedia and new media materials, and publications
- (c) Enable thought leadership through the identification and deliberate development of new ideas, content and concepts, as well as the identification of gaps in action and thinking
- (d) Enter into innovative research and knowledge generation partnerships
- (e) Develop transversal materials
- (f) Capture and archive institutional knowledge
- (g) Leverage institutional knowledge and promote the use of technology to enhance the Electoral Commission's pre-eminence and competitiveness

### **The state of democracy survey**

A survey on the state of democracy in South Africa was commissioned and conducted during the period under review. The objectives of the survey were as follows:

- (a) Assist the Electoral Commission to develop plans aimed at responding to the real needs of the communities that it serves
- (b) Assess public perceptions towards the state of democracy and governance in South Africa
- (c) Explore patterns of political tolerance and intolerance in South African society
- (d) Explore generational differences in political values and behaviour
- (e) Explore, where possible, changes over time in the above measures

Conducted by the Human Sciences Research Council (HSRC), the study relates to South Africans' perceptions of democracy, and addresses the state of democracy in South Africa. The study explores current major perceptions and assumptions regarding the levels of satisfaction and/or dissatisfaction with certain elements of democracy among South Africans.

### **Seminar on electronic voting and counting technologies**

Upon the announcement of the national and provincial election results in South Africa in 2009, the President of the Republic of South Africa challenged the Electoral Commission to examine the concept of electronic voting technologies. Subsequently, the Commission conducted secondary research into the international experience of e-voting. This research culminated in a seminar with the theme, *E-voting: An enabler or disabler to strengthening electoral democracy?*, presented by consulting global practitioners and experts to further broaden understanding of the subject in March 2013.

The highly successful seminar established the Electoral Commission's pre-eminence as an election management body that seeks to improve and continuously innovate to enhance its integrity as a thought leader in electoral democracy.

The objectives of this seminar were twofold:

- (a) Obtain a deeper understanding of e-voting from international and local experts, including a more nuanced, country-specific comprehension of the subject
- (b) Begin to test the views of key local stakeholders on e-voting

The seminar succeeded on both counts. Presentations and discussions at the seminar revolved around the following:

- (a) Advantages, disadvantages, costs and benefits of the predominant types of e-voting technologies.
- (b) Country-specific case studies on the experience of e-voting. Cases were selected from a range of countries, from developing world democracies with considerable experience of e-voting (India and Brazil) through to a relatively recent convert to e-voting (Philippines), as well as a country that had abandoned e-voting before implementing the technology (Ireland).

Some key lessons from the cross-national experience include the following:

- (a) International experience on e-voting is mixed, with no discernible move towards, or away from, e-voting.
- (b) Almost every e-voting technology has been technically compromised at some point. Certain countries are prepared to live with these risks (India,

Brazil, the USA, Canada and Japan), while others are not (The Netherlands, Germany, the UK, Australia and Ireland).

- (c) The decision to adopt e-voting is context-specific, and is influenced by the political-legal culture, the level of tolerance for risk, the size of the country and the country's demographics.
- (d) Critical success factors to allow for the independent certification and audit of technology (should an election management body decide to test e-voting) include transparency (open-source software), inclusivity (stakeholder buy-in) and trust.
- (e) The political process of introducing e-voting technology is as important as the technological product; great technology can be derailed if the process of politically managing the technology is flawed.

While South Africans need to be cognisant of the global experience of e-voting, ultimately a decision on whether to adopt e-voting will need to be underpinned by and sensitive to the South African context. It therefore has to be informed by our demographics, political culture, socio-economic environment, financial capacity, and institutional and infrastructural capabilities, and has to include a thorough examination of the cross-national experience. Voter trust in any voting system is vital.

#### **The 14-year review on the work of the Electoral Commission**

A study on the review of the work of the Electoral Commission over the past 14 years, which encompasses the two terms of office of the previous commissioners, has been completed. The study elucidates the areas of achievement realised during the terms of office of the previous members of the Commission. This information is intended to form the bedrock on which the present Commission can build in its endeavour to strengthen electoral democracy in the country.

#### **UNDP study on gender mainstreaming in electoral management bodies**

In July, the Electoral Commission participated in a global study initiated by the United Nations Development Programme (UNDP) on how electoral management bodies (EMBs) seek to mainstream gender and empower women in the administration of national elections. This was the UNDP's first effort to collate information about EMBs.

The Electoral Commission is committed to promoting the full and equal participation of women as voters, election administrators and candidates, and to generate disaggregated data to gather information about methods used to promote gender mainstreaming in electoral administration.

#### **Elections Terminology Project**

The terminology coordination section of the National

Language Service (NLS) in the Department of Arts and Culture (DAC) drove the Elections Terminology Project, which aimed to produce standardised terminology on elections to enhance and broaden the general public's knowledge about elections. The NLS partnered with external professional collaborators (linguists, subject specialists and language practitioners), as well as staff members of the Electoral Commission. The development of technical vocabularies regarding electoral democracy in all South Africa's official languages is one of the strategies towards achieving this goal. Through this partnership, the Electoral Commission supports the promotion of language development and multilingualism in South Africa, particularly in previously marginalised languages. Phase I of the project was successfully conducted during the year under review. The Electoral Commission assisted with updating the list of election terms with definitions, and made election practitioners available for the development of election terminology in the Sepedi, Siswati, isiNdebele, Xitsonga and Tshivenda languages in Limpopo and Mpumalanga.

## **COMMUNICATION**

During the period under review, activities encompassed both internal and external communication, providing information to a range of stakeholders through various platforms.

Emerging technologies continue to influence the way in which the Electoral Commission reaches the breadth and length of South Africa. These advances in technology have altered the way we converse with the youth of our country, in particular. Facebook and Twitter accounts ensure that the electorate is able to access the required information at their own time.

#### **Media relations**

In ensuring a coordinated approach to engaging the electorate, the Electoral Commission embarked on an effective media relations programme. The programme was designed to reach print, electronic and media institutions, and was aimed at ensuring that all eligible voters understand and participate in the electoral processes.

The bouquet of media relations activities ranged from press releases and scheduled interviews to profiling of the work of the Electoral Commission in a variety of publications to reach the diverse South African electorate, being cognisant of the rich tapestry of different languages, cultures, values, norms and beliefs. Spatial distance, discrepancies in education, as well as urban and rural centres provided opportunities to vary approaches to ensure that the correct message and channels were selected.

The Electoral Commission's media relations programme was the propeller of the Commission's information engine. Community media has sharpened and extended its information scope and extended its capacity to reach

communities in their language of preference, and has become an ideal instrument to foster greater, more diverse media access, and consequently diverse voices in the media.

For the year under review, 33 media releases were issued and 132 interviews were scheduled with local and international media.

#### Social media

In support of a more dynamic digital presence, the Electoral Commission launched its inaugural social media strategy and campaign in May 2011 through Facebook ([www.facebook.com/IECSouthAfrica](http://www.facebook.com/IECSouthAfrica)) and Twitter (<https://twitter.com/IECSouthAfrica>) accounts.

Activities on these platforms peaked immediately prior to, during and after major electoral events. Activity has increased incrementally, but steadily, since then. These communication platforms have provided an alternative source of information to young South Africans in particular. All the Electoral Commission's events enjoyed presence on social media and allowed South Africans to interact and receive additional information. The social media presence has allowed the Electoral Commission to link up with the broader electorate and to influence the global community on our electoral democracy.

#### Media monitoring

The Electoral Commission has maintained monitoring of media coverage of its mandate and activities in print and electronic media for the period under review. Through these reports, the Electoral Commission is able to ascertain whether adequate and relevant information is provided to its stakeholders.

These reports enable the Commission to measure coverage of the electoral processes and ascertain whether increased knowledge and information on electoral democracy has been achieved. Key issues that have a profound impact on the activities of the Electoral Commission have been tracked on the media monitoring system.

During the period under review, media monitoring has enabled the Electoral Commission to ensure that voters are provided with the factual information that is needed to participate in electoral democracy.

For the year under review, 12 media monitoring reports were recorded.

#### Publications

Custodianship of the Electoral Commission's body of knowledge resides in the publications that accumulate its knowledge management. The Electoral Commission produces publications on a regular and ad hoc basis. For this financial year, 1 500 copies of the 2012 annual report were printed and distributed to all relevant stakeholders, and regular electronic newsletters were circulated to all members of staff.

#### Campaigns (advertising and promotions)

For the period under review, five communication platforms were employed. These incorporated both the print and electronic media. The Electoral Commission produced three print adverts, which were carried in *Post Matric*, the African Union's 10-year anniversary publication, *Proverto*, *African Leader*, *Business Day Empowerment* and the *Pan African Parliament* magazines.

A Women's Day commemorative campaign was broadcast on all public service radio stations and selected commercial radio stations in the 11 official languages.

### Summary of payments according to subprogramme

Subprogramme	2012/13			2011/12		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Foster public participation with a view to deepening democracy	43 270	24 781	18 489	60 403	89 417	29 014
<b>Total</b>	<b>43 270</b>	<b>24 781</b>	<b>18 489</b>	<b>60 403</b>	<b>89 417</b>	<b>29 014</b>

## 4.5 Programme 5: Corporate Services (including Human Resources Management, Information and Communication Technology, Financial Management, Facilities Management and Legal Services; the provincial offices are also included under this programme for reporting purposes)

Corporate Services provides enabling business processes and systems in respect of financial management, information and communication technology, human resources (HR) management, facilities management and legal services to efficiently and effectively support the core business of the Electoral Commission. The Electoral Commission's training institute is also run under this programme. A total of 128 permanent staff members support the functions of this programme.

### Strategic Objective 5.1 linked to Strategic Goal 5

Implement the human resources strategy and plan.

### Strategic Objective 5.2 linked to Strategic Goal 5

Develop, adopt, implement and maintain the human resources training and skills development plan.

### Strategic Objective 5.3 linked to Strategic Goal 5

Provide integrated support services.

### Strategic Objective 5.4 linked to Strategic Goal 5

Provide timely funding, aligned with strategy, per project.

### Strategic Objective 5.5 linked to Strategic Goal 5

Comply with financial legislation, policies and procedures.

### Strategic Objective 5.6 linked to Strategic Goal 5

Provide fairly presented financial statements.

### Strategic Objective 5.7 linked to Strategic Goal 5

Develop an ICT strategy, policies and procedures, and maintain a stable ICT environment.

### Strategic Objective 5.8 linked to Strategic Goal 5

Maintain a proactive and responsive legal framework for the Electoral Commission.

## Key performance measures and their targets and actual results

Performance indicator		Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
5.1.1	Date by which comprehensive HR strategy and plan is approved and percentage compliance	Draft strategy is in place	Approved and implemented according to timeframes  30 June 2013	The HR strategy was developed.  The HR plan will be finalised once the skills audit information is collated.	The target date for approval of the plan was moved to 30 June 2013	Not applicable	-
5.1.2	Annually review the HR strategy and plan	-	Not applicable	Not applicable			
5.2.1	Integrated training strategy and plan by target dates developed and approved	Draft strategy is in place. The date of finalisation was moved to March 2013 for further consultation with stakeholders.	Approved and implemented according to timeframes by 31 March 2013	The election training strategy and training plan was developed.	The integrated strategy is not finalised	Not applicable	Awaiting outcome of the skills audit information, which will be finalised in June 2013.



Performance indicator		Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
5.2.2	Number of trained electoral officials	198 226	1 920	1 071	(849)	(197 155)	Training target is based on "estimated" number of by-elections in the current year. Targets and achievements for 2011/12 include training for electoral staff for LGE 2011.
5.2.3	Number of staff trained and developed	305	450	924	474	619	The roll-out of the following training sessions led to an increase in the number of people trained: <ul style="list-style-type: none"> <li>• Facilitator training</li> <li>• Additional supervisory training</li> <li>• Protocol and etiquette training</li> </ul>
5.3.1	Date by which comprehensive support services strategy and plan is approved and percentage compliance	Strategy and plan developed and approved	Framework approved by 31 March 2013	Framework approved	-	-	-
5.3.2	Annually review strategy and plan	-	Not applicable	Not applicable			
5.4.1	Meet statutory deadlines in respect of budgeting	New target	Deadlines as per National Treasury guidelines met	Deadlines as per National Treasury guidelines met	-	-	-
5.4.2	12 management accounts	New target	12	12	-	-	-

Performance indicator		Actual achievement 2011/12	Planned target 2012/13	Actual achievement 2012/13	Deviation from planned target for 2012/13	Variance from 2011/12 to 2012/13	Comment on variances
5.5.1	Review financial policies and procedures, including delegation of authority	New target	Reviewed	The financial directives and delegations were approved by the Commission on 25 January 2013	-	-	-
5.5.2	Prepare monthly compliance reports	New target	12	12	-	-	-
5.6.1	Achieve an unqualified audit report each year	Unqualified	Unqualified	Unqualified			
5.7.1	Approved five-year ICT infrastructure plan in place	Deferred strategy development to next year	Approved plan in place by 31 March 2013	Submitted for final review and approval			Some meetings were postponed due to other commitments of business participants.
5.7.2	Percentage network and application systems availability (system generated report available)	99.5%	97%	97.2%	-	-2.3%	Achieved and exceeded target.
5.8.1	Annual legal review report submitted	New target	Legal review report submitted by 31 March 2013	Legal review report submitted by 31 March 2013	-	Not applicable	-

## HUMAN RESOURCES MANAGEMENT

A detailed report on human resources management is contained in Part D of this annual report.

### Skills development

In order to improve the performance of its workforce, the Electoral Commission conducted training needs analyses based on individual development plans, and then prioritised the training gaps. A number of training sessions were conducted during the reporting period, and 924 staff members attended various short courses and in-house training sessions.

### Staff attendance at training courses and training sessions

	Description	Number of delegates
1	Advanced Skills for PAs and Executive Secretaries	1
2	Certificate in Management Development	10
3	Emotional Intelligence	1
4	Bid Committee Processes in Public Sector	1
5	Fingerprint training	21

	Description	Number of delegates
6	South African Production and Inventory Control Society (SAPICS) Conference	1
7	Business Writing Skills	120
8	Payroll and UIF Seminar	1
9	Short Course on Financial Management	1
10	Workplace Health Audit and Wellness Management	1
11	Certificate Course in Labour Law	1
12	Internet Research Course	2
13	Management of Democratic Elections in Africa	11
14	Graphic Design	1
15	South African Press Association (SAPA) Conference	5
16	Advanced ArcGIS 10	2
17	Introduction to Paper Conservation for Libraries, Archives and Museums	1
18	2012 GovTech Conference	1
19	Facilitation Skills	430
20	Train the Trainer	22
21	BRIDGE – Training on Electoral Contestants	2
22	Adobe In-Design for Beginners	1
23	Southern Africa Institute of Management Services (SAIMAS) Conference	1
24	SAPHILA Conference	2
25	Internet Research Short Course	2
26	Supervisory Skills Training	53
27	Current Labour Law Seminar	2
28	Payroll Seminar	1
29	Advanced Course in Taxpayers Rights	1
30	Health and Safety Representative Seminar	14
31	Programme in Management Development	1
32	Moderator's Course	1
33	Communication Workshop	1
34	Advanced Course in Labour Law	1
35	Social Networking Workshop	4
36	Project Management	1
37	Protocol and Etiquette Training	51
38	BRIDGE Accreditation Training	22
39	National Training – Boot camp	119
40	Induction session	10
<b>Total</b>		<b>924</b>

Twelve interns were appointed in various provincial offices and in the National Office and were exposed to working areas in line with their fields of study.

### Interns appointed

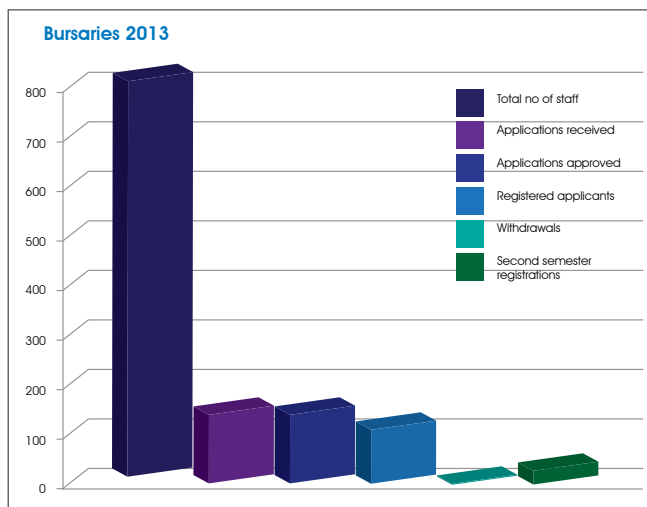
Office	Number of interns
Eastern Cape	1
Free State	1
KwaZulu-Natal	3
Limpopo	2
North West	1
National Office	4
<b>Total</b>	<b>12</b>

## Utilisation of centre for elections learning

Description	Number of days	Number of participants
<b>In-house training and workshops</b>		
Induction Session	2	10
Certificate in Management Development	2 contact sessions	10
MyCosmos Training	1	6
RPPF Training	1	6
Purchase Order Verification Presentation	1	7
Compliance	1	7
By-elections Training	1	6
Supervisory Skills Training	5	13
BRIDGE Accreditation Preparation Session	5	5
Protocol and Etiquette Training	1	22
BRIDGE Accreditation Training	5	22
Procurement and Asset Management Sharing Sessions	13	13
Procurement Workshop	6	100
Performance Management Workshop	2	20
Briefing session – Vision 2018	1	50
National Workshop on Communication Strategy for 2014 Provincial and National Elections	2	30
Employment Equity Workshop	2	30
Continuation of Communication Workshop	2	10
Professional Development Programme for Election Commissioners	3	20
Finance Workshop	2	40
ICT Workshop	2	25
Budget Workshop	2	40
HR Policy Training	2	25
Outreach Management System	1	30
<b>WELLNESS</b>		
SANBS Blood Drive	6	120
Take a Girl Child to Work	1	20
One-on-one gym sessions	1	30
Women's Day Celebrations	1	60
Siyathetha	1	60
Wellness Day	2	90
<b>MEETINGS</b>		
Outreach Planning Meeting	1	17
Elections of Shop Stewards	1	30
Voter Registration SOP	1	17
Performance Moderation Session	1	25
Demonstration of eVoting Technology	1	20
Mentoring visit by the Unisa Institute for African Renaissance	1	30
Feedback from Union	1	20
Material Development Task Team meeting	3	12
E-voting Meeting	1	35
Briefing to Internal Audit managers assigned for next round of IEC audits at provincial, regional and local levels	1	15
SOP Meeting – electoral matters	1	40
Meeting with Deputy CEOs on electoral matters	1	6
Outreach Materials Development Task Team	2	15
Clearing Address Capture Exceptions	18	10
<b>EXHIBITIONS</b>		
Library Week	5	60

### Bursaries

The Bursary Committee adjudicated all bursary applications received for the 2013 academic year. A total of 140 applications were received by the due date and all of these were approved. In total, 110 applicants registered, two withdrew and the remaining 28 deferred registration to the second semester for 2013.



### Material development and electoral staff training

The Training Department reviewed the following material with the aim of improving the quality of the election training material and performance of election staff:

- Module 1 – Introduction to the Electoral Commission
- Module 2 – Registration Module
- Presiding Officers' Registration Diary
- Area Manager's Registration Diary
- Four Posters
- Lesson Plan for Module 1 and Registration

### Electoral staff training

The performance assessment of presiding officers, which commenced in the previous financial year, was finalised.

### National training meeting

The national training meeting, commonly known as the Boot Camp for Registration, was held in February 2013. The purpose of the session was to familiarise the master trainers with the new training material, and develop a standard approach to electoral training and a uniform lesson plan for registration training.

### By-elections

Electoral staff members are trained close to the by-elections according to the published timetable and in line with the final ward lists. For the reporting period, 1 055 officials were trained provincially and six were trained at the National Office. A total of 1 061 officials were trained.

## SUPPORT SERVICES

Awareness training on the strategy was finalised with Support Services staff. Other general awareness of support service operations is done on a continuous basis and as and when a need arises.

### Provision and maintenance of office accommodation and infrastructure

To enable employees to perform their daily duties in a secure environment, appropriate office space is secured with active lease agreements in place, which are renewed as required during the period of occupation. The security systems in various offices were updated and alarms were installed where needed.

### Telecommunication services

The voice over Internet Protocol (VOIP) private automatic branch exchange (PABX) telephony system was upgraded and maintained in good order during the reporting period.

### Transport and travel services

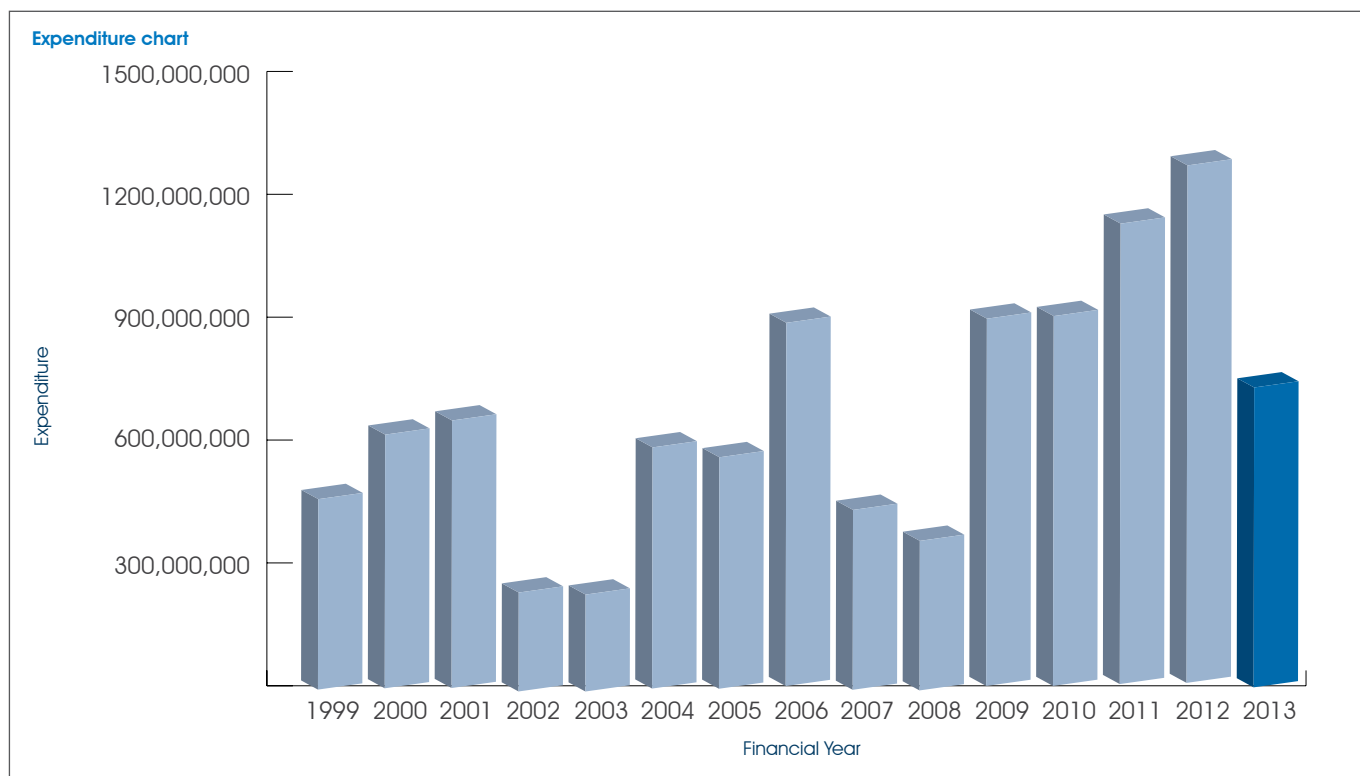
Efficient transport and travel services were rendered in compliance with organisational requirements. In total, 22 pool vehicles were replaced due to high mileage, while 22 additional vehicles were procured due to operational requirements, mostly for the local offices. A total of 43 accidents involving Electoral Commission vehicles was recorded.

## FINANCIAL MANAGEMENT

### Overview of funds received and spent

The Electoral Commission received R762 million for the year under review by way of a parliamentary grant. Sundry income was generated, consisting largely of interest earned, bringing the Electoral Commission's total income to R768 million. All funds were accounted for and are disclosed in the annual financial statements. In 2011/12, unspent funds amounted to R21 million and these were rolled over to the 2012/13 year, giving a total budget of R789 million. In 2012/13, 94.67% of the budget was expended.

Expenditure is mainly influenced by the elections cycle, peaking during preparations for an election and then decreasing to fund regular activities in non-election cycles. The trend of expenditure for the years since 1999 is indicated in the graph below.



Key elements of expenditure for the 2012/13 year include the following:

- (a) R369 million on employee costs. This represents a decrease of 10% on the cost in 2011/12. The decrease was mainly due to the employment of expansion staff in the previous year, given that the elections were early in that financial year.
- (b) R325 million on administrative expenditure, representing a decrease of 60% on 2011/12. In general, the decrease reflects the fact that 2012/13 was a year of planning and preparation for the national and provincial elections in 2014. Significant elements of the decrease include the R197 million spent on subsistence and travel costs for the 196 000 temporary staff employed for the elections in May 2011, in comparison to R5.8 million in the current year for by-elections and the initial contact session with presiding officers and deputy presiding officers in preparation for the 2014 elections, as well as to the reduction of R150 million in professional services, due to the fact that there were no major electoral events in this year.
- (c) R57 million on depreciation, amortisation and impairment. This is consistent with the amount charged in the previous year, reflecting the stability in the Electoral Commission's asset base.

Property, plant and equipment to the value of R33 million was acquired during the year under review. These funds were accounted for as prescribed in accordance with the South African Statements of Generally Accepted Accounting Practice (SA GAAP).

#### Financial administration

Work continues to enhance controls and processes to reduce the Commission's risk exposure. The following was achieved during the year under review:

- (a) A procurement workshop, a general finance workshop and a budget-specific workshop were held for National Office and provincial staff members.
- (b) Monthly closures and monthly financial statements were completed.
- (c) Compliance reports are produced monthly and have become an important follow-up tool and mechanism to improve the completeness and accuracy of monthly financial information.
- (d) Monthly management accounts have assisted in monitoring expenditure more closely and managing cash flow.
- (e) The financial year was closed in 11 working days in April 2013, with a first draft set of financial statements available on the 12th working day of the new financial year.
- (f) Contract administration and compliance processes relating to contract administration have been enhanced, reducing the risk to the Electoral Commission.
- (g) Financial policies and standard operating procedures were reviewed and updated and, where required, new policies and procedures were developed. This exercise was aimed at bringing all financial policies and procedures in line with the latest legislative requirements and National Treasury practice notes/guidelines.



- (h) The year under review afforded the Commission the opportunity to consider experiences gained and lessons learnt from the 2011 local government elections, in preparation for the national and provincial government elections that will take place in 2014. Lessons learnt were incorporated into the project plans and budgets of departmental heads for the next medium-term period expenditure. These project plans and budgets were reviewed and scrutinised by senior management and the Executive Committee (EXCO) in order to reduce costs or to increase efficiency gains. Questions were asked about minimum costs for each project without jeopardising the integrity of electoral processes.
- (i) Special attention was given to the impact of possible overseas registration and voting on budget processes for the 2014 elections.

## INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communication Technology (ICT) continues to play a critical role in supporting the various processes of the Electoral Commission. At the core of this ICT capability lies the continuous support service, which provides the foundation for all other ICT activities:

- (a) Stable applications to support and enable all business processes
- (b) Closely integrated systems aimed at ensuring a seamless flow of information across the different systems
- (c) Stable and secure ICT infrastructure, a stable network at both wide area network (WAN) and local area network (LAN) levels and the data centre
- (d) Sufficient network and background server capacity, with the required capability of supporting increased election activity and network traffic
- (e) Management of risks, disaster recovery and business continuity processes, ensuring that the Electoral Commission can take advantage and fully utilise all available and relevant technologies in the ICT market

### Business systems

In order to effectively support business processes at the Electoral Commission, a number of system maintenance tasks are executed on a regular basis to ensure the smooth delivery of services in the environment.

### General maintenance activities

These activities include, but are not limited to the following:

- (a) By-elections support and preparation: Prior to a by-election, a number of activities are undertaken by the systems maintenance team. These include supporting voter registration activities, where applicable, culminating in the generation and

distribution of the certified voters' roll for the by-election. In order to facilitate special voting for by-elections, the special votes application is configured with the applicable voting districts participating in the upcoming by-election. Voters are able to apply for special voting, which allows a voter to vote one or two days prior to the by-election for various reasons, such as incapacity or pregnancy. Voters can choose to vote at the voting station or cast a vote at their home in the presence of the presiding officer. System preparations prior to the by-election involve the testing of scanning software, assisting with the downloading of the electronic voters' roll for voter participation and standby support for capturing results during the by-election. Payment files were generated for a number of electoral processes, such as voting station leasing, electoral staff payments and candidate refunds/reimbursements.

- (b) Support for ongoing registration application form (REC1) scanning and linking to electronic voter records. The linked images are then used to capture the address (as per the registration form) onto the voter registration system.
- (c) Ad hoc data requests. Requests from outside parties are frequently made to the relevant line function departments for information pertaining to various election statistics. Once approved, this information is investigated, interpreted and consolidated by the appropriate IT team, depending on the nature of the request.
- (d) System investigations and impact analyses regarding new systems, potential changes or enhancements required by line function departments. Subsequent to discussions and/or investigations, project charters are compiled for line functions to capture their requirements and provide the basis for further action.
- (e) Responding to audit requests, queries and findings.
- (f) Updating of content, communications and placement of highlighted areas on the public website, based on electoral cycle activities or other areas of interest pertaining to the Electoral Commission.
- (g) General maintenance and support of the Electoral Commission's public website.

### GIS maintenance activities

These activities include, but are not limited to the following:

- (a) Maintenance of the voting district and station framework
- (b) Continuous sourcing, quality assurance and incorporation of new spatial datasets for use in map production
- (c) Ad hoc spatial analysis and mapping requests
- (d) Printing of organisational material, such as budget reports or posters (large format)

### Financial system maintenance activities

These activities include, but are not limited to the following:

- (a) SAP support packs were migrated to production and included changes mandated by legislative changes (eg, taxation)
- (b) Configuration and code changes were effected in support of master data maintenance
- (c) Fine-tuning existing standard SAP or customised reports in response to changing business needs
- (d) Needs analysis and development of new reports, which were required by line functions (eg, employee and vendor audit reports)
- (e) Support and maintenance of critical interfaces into SAP (ie, eProcurement, logistics information system (LIS), electoral staff system (ESS), candidate nomination system (CNS) and voting station operations system (VSO).
- (f) Support and maintenance of SAP workflow, authorisations and the SAP web portal (MyCosmos)
- (g) Monitoring of system performance and performing system administration tasks

### Business systems projects

A number of projects were concluded during the year. These projects aimed to ensure that the technologies provided to the organisation remain up to date, and that changing business processes are incorporated into the systems.

#### *Delimitation revision*

In support of the Delimitation Revision Project undertaken by the responsible line function, working maps (in A1 and A0 sizes) were produced and printed for each of the 4 277 wards. The maps displayed the current voting district boundaries and voting stations, and provided the basis for the municipal electoral staff, in consultation with the local political party liaison committees to review and, if indicated, amend the voting boundaries and/or stations.

#### *Targeted communication registration maps*

Subsequent to the delimitation revision, more than 2 300 maps (in A3 size) were produced to facilitate the door-to-door process of re-registering or advising people that delimitation in their area has changed.

#### *Address cleaning project*

Once a voter registration application form has been scanned and linked to a voter record on the voter registration system, the address is captured from the image. In order to increase the accuracy of the capture, the system is linked to the national address dictionary (NAD), where the various address elements can be selected from a list rather than be captured. However, if the NAD data is not available in an area, addresses are typed in manually.

The project dealt with the review of these manually typed addresses. The GIS team utilised spatial data and tools in an attempt to link the addresses to known addresses or points. A hit rate of 32% was achieved which, for a project of this nature, was significantly higher than the norm.

#### *Module for voters intending to vote abroad (VEC10 module)*

A need was identified to electronically record the notifications received from voters who intend to vote abroad. The module, which forms part of the special votes' application system, provides an online notification facility on the website. Alternatively, if the physical form (VEC10) is received via email, fax or in person at the Electoral Commission's offices, a facility is available for capturing the information on the internal system as well. In both cases, voters will be notified of the status of their notification (from the system) once certification of the voters' roll has been completed.

#### *VSO lease scanning*

Once a voting station has been identified for use in an electoral event and captured, the voting station operations system further facilitates the capturing of the lease agreements with the respective landlords. This project deals with an extension of the current functionality to include the scanning and linking of a signed contract to the corresponding voting station record. The availability of contracts electronically provides access to the documents at all levels in the organisation and supports the approval process.

### Special projects

#### *Traditional Council and Ward Committee elections*

Following the Traditional Council elections in KwaZulu-Natal, which were supported during the previous reporting period, the Department of Cooperative Governance and Traditional Affairs (CoGTA) requested further assistance. Elections were to be held in councils not part of the first round, as well as by-elections in councils where elections had already taken place. In response to this request, the ICT and GIS teams were again involved in supporting the different components of the election, including delimitation, voter registration, candidate nomination, ballot paper printing and results capturing. The seat calculation was modified to allow for the variable number of seats available for the calculation in respect of the by-election results.

Registration and voters' roll support were requested and provided for Traditional Council elections held in the Northern Cape.

Voters' roll support was also provided for Ward Committee elections in the City of Johannesburg.

#### *Windows and SQL platform upgrade*

The migration to the new platform (ie, Windows 7, Windows Server 2008) from the older versions commenced during the previous reporting period and was successfully concluded.



The new desktop and printer rollout was scheduled to coincide with the platform upgrade and approximately 2 000 workstations and 270 printers were successfully distributed.

### **ICT operations and infrastructure**

In order to provide a high availability of ICT services at the Electoral Commission, a number of infrastructure maintenance tasks are executed on a regular basis to ensure the smooth delivery of services in the environment.

#### **General ICT operations maintenance activities**

These activities include the following:

- (a) Performing daily system checks in all environments to ensure that all systems are available and stable before the start of business. This includes servers, switches, storage area network devices and provincial uninterrupted power supplies.
- (b) Ensuring that all systems are backed up according to the schedules set by the organisation and removing tapes off site on a weekly basis.
- (c) Security monitoring of the ICT infrastructure, which includes virus attacks and operating system vulnerabilities and incidents.
- (d) Monitoring all LAN and WAN activity on a daily basis to ensure the provision of high availability and adequate capacity.
- (e) Assessing vulnerabilities of the infrastructure on a weekly basis and remediating potential weaknesses.
- (f) Providing desktop support to the Electoral Commission's staff from a central location by using remote assistant tools.
- (g) Maintenance and performance tuning of the email infrastructure, as well as ensuring high availability of user email.
- (h) Monitoring and managing environmental controls of the data centre.
- (i) Maintaining a disaster recovery site for all business critical systems.
- (j) Monitoring and maintenance of the virtual environment.

#### **ICT operations projects**

A number of projects were concluded during the year, with the aim of ensuring that the technologies provided to the organisation remain up to date.

#### *Security Information and Event Management (SIEM) solution*

This solution assists the ICT security team to consolidate the monitoring of security events from numerous disparate sources across the Electoral Commission's WAN and LAN into a single consolidated and centralised location. The centralised capability provides the ability to perform advanced aggregation, correlation, analysis, alerting and reporting of security events across networks, applications, and database and server infrastructures. In addition, this centralised solution alleviates the costs and complexity involved in the

development of monitoring capability separately for each event.

The SIEM solution provides the following capabilities:

- (a) Data aggregation: SIEM solutions aggregate data from many sources, including network, security, servers, databases and applications, thereby providing the ability to consolidate monitored data and avoid missing crucial events.
- (b) Correlation: the tool searches for common attributes, and links events together into meaningful bundles. This technology provides the ability to perform a variety of correlation techniques to integrate different sources and turn data into useful information.
- (c) Alerting: providing for the production of alerts based on the automated analysis of correlated events and notifying recipients of pressing issues.
- (d) Dashboards: event data is transformed into informational charts that assist in identifying patterns and activities that do not conform to standard outputs.
- (e) Compliance: SIEM applications can be employed to automate the gathering of compliance data, producing reports that adapt to existing security, governance and auditing processes.
- (f) Retention: SIEM solutions employ long-term storage of historical data to facilitate the correlation of data over time, and to provide the retention necessary for compliance requirements.

#### *Patch management solution*

A centralised patch management solution was implemented to mitigate vulnerabilities and stabilise the environment, especially in respect of third-party applications and software. The patch management solution not only provides a centralised point for managing patches and monitoring vulnerabilities, but also for application whitelisting. The solution enforces corporate patch policies, regardless of the endpoint platform or applications. The solution consequently optimises ICT operations and provides an improved security posture.

The patch management solution provides the following capabilities:

- (a) Patching of multiple operating systems (Windows, Mac and different Linux distributions)
- (b) Patching and updating third-party software and applications (Adobe, Java, WinZip, etc.)
- (c) Scheduling and prioritising – the ability to prioritise certain patches (eg, critical patches) and streamline the process of patching in the appropriate timeframe
- (d) Application whitelisting – the capability to lock down the environment and ensure that only business-approved applications and software can be used
- (e) Reporting – the ability to have a clear view of the environment before and after patches were applied

### Disaster recovery (DR) simulation

The Electoral Commission performed a full disaster recovery simulation between 1 February and 9 February 2013. The test entailed shutting down the data centre at the National Office and operating all key systems from the DR site, which is hosted remotely. The purpose of the disaster recovery simulation test was as follows:

- (a) Test ICT capacity to continue services in a disaster situation where the National Office is incapacitated and not operational
- (b) Test if the current DR provisions are functional and will work as planned
- (c) Identify gaps, issues, concerns and shortcomings of the DR capability
- (d) Assess the response times and capacity of the DR infrastructure to carry the load

The DR simulation was considered to be successful as all mission critical activities were available during the simulation. Some issues were encountered during the process, but these were identified and resolved.

### LEGAL SERVICES

In the line of its operations, the Electoral Commission deals with a wide range of legal matters. These include the drafting of service level agreements with various service providers, internal disciplinary matters, instituting and defending legal matters on behalf of the Electoral Commission, as well as reviewing legislation. After the 2011 municipal elections, the Electoral Commission started a consultative process to review electoral legislation ahead of the 2014 national and provincial elections. This process was concluded and it is anticipated that the Electoral Act, 1998, Amendment Bill, 2013, will be placed before the National Assembly early in the next financial year.

### Summary of payments according to subprogramme

Subprogramme	2012/13			2011/12		
	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000	Budget R'000	Actual expenditure R'000	(Over)/under expenditure R'000
Support the core business of the Electoral Commission	574 289	589 320	(15 032)	408 391	642 068	(233 677)
<b>Total</b>	<b>574 289</b>	<b>589 320</b>	<b>(15 032)</b>	<b>408 391</b>	<b>642 068</b>	<b>(233 677)</b>





# PART C

Governance



SOUTH AFRICA

**VOTING  
STATION**

ELECTORAL COMMISSION  
ENSURING FREE AND FAIR ELECTIONS

## 1. Introduction

Corporate governance embodies processes and systems by which institutions are directed, controlled and held to account. In addition to legislative requirements based on the Electoral Commission Act, corporate governance with regard to the Electoral Commission is applied through the precepts of the Public Finance Management Act 1999 (PFMA).

Parliament, the Executive Authority and the commissioners of the Electoral Commission are responsible for corporate governance.

## 2. Portfolio committees

The Electoral Commission reports directly to Parliament and interacts primarily with the Portfolio Committee on Home Affairs. The Portfolio Committee is a multi-party committee established in terms of the rules of Parliament.

On 18 April 2012, the Electoral Commission briefed the Portfolio Committee on its strategic plan and annual performance plan. The Electoral Commission's 2012 annual report was tabled in the National Assembly on 27 September 2012 and the Commission subsequently briefed the Portfolio Committee on the report on 6 November 2012.

The Commission adopted a strategic plan and annual performance plan for the following financial year on 28 November 2012. Both plans were tabled in the National Assembly on 14 March 2013.

## 3. Executive Authority

In terms of Treasury Regulation 1.1 of the PFMA, the Executive Authority of the Electoral Commission is the Chairperson of the Commission. The Accounting Officer, who is the Chief Electoral Officer, submits quarterly reports on performance against strategic objectives to the Commission (including the Chairperson). These reports are discussed at meetings of the Commission, as well as Electoral Commission plenaries. Issues raised at these meetings are considered when implementing plans for the remainder of the year.

## 4. The Commission

The Commission is established in terms of section 6 of the Electoral Commission Act, Act No 51 of 1996. The Commission appoints the Chief Electoral Officer. It also adopts the strategic plan, monitors and oversees its implementation, and reports annually to the National Assembly.

The Commission has established a Governance and Ethics Committee, which is in the process of developing a charter

for adoption by the Commission. The Commission has established a number of other committees to advise it on the execution of its duties.

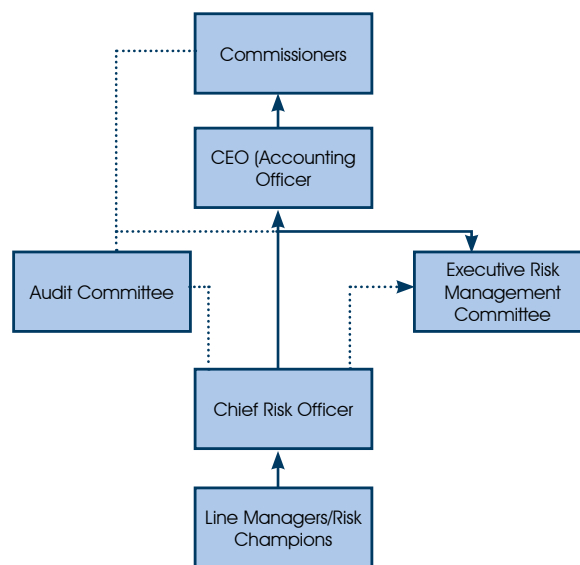
### Committees

Committee	Chairperson
Elections Management	Adv Pansy Tlakula
Finance, Risk and Compliance	Mr Terry Tselane
Governance and Ethics	Adv Pansy Tlakula
Human Resources Governance	Mr Terry Tselane
Outreach, Communications and International Relations	Rev Bongani Finca
Research, Knowledge Management and Publications	Ms Raenette Taljaard

## 5. Risk management

During the course of 2012/13, the risk management framework was comprehensively reviewed and updated. A revised risk management policy and risk management framework were approved by the Commission on 12 April 2012 and 25 June 2012 respectively.

The risk management reporting structure is set out below.



An annual risk management implementation plan was compiled and was used to track progress in implementing the new process. All actions required in terms of this plan for the 2012/13 year were completed.

The revised process, which included an improved risk register template, was rolled out across project owners and the process for quarterly reviews and updates of the risk register began in the third quarter of 2012/13.

Risks are considered at least quarterly at the Executive Risk Management Committee (ERMC) meetings and, if needed, at EXCO meetings, which take place weekly, should a significant risk event occur between ERMC meetings. The strategic risk register is considered and updated at these meetings.

The ERMC also considers the risk impacts of all internal and external audit reports as part of its standing agenda.

## 6. Internal control

The system of internal control at the Electoral Commission is well established and operates efficiently and effectively. Workflow controls embedded within the SAP system ensure that adequate levels of authorisation within the approved delegations are in place for each transaction, and assist in ensuring that segregation of duties is maintained. A process of continuous review and improvement is in place and standard operating procedures have been drafted and are updated as necessary.

Findings from internal and external audit reports are tracked and the relevant process improvements are implemented in terms of the agreed timeframes.

A combined assurance framework has been drafted and is in the approval process.

## 7. Internal Audit

The Electoral Commission has adopted a co-sourced model for internal auditing where eight independent service providers grouped into three consortia execute audits across the country under the direction of the Chief Audit Executive (CAE). The CAE reports technically to the Audit Committee and administratively to the Accounting Officer who, during the year under review, approved two positions in the Office of the CAE to constitute an in-house internal audit capacity.

The CAE hereby confirms that for the internal audits executed in 2012/13:

- (a) sufficient and appropriate internal audit procedures were conducted and audit evidence gathered to support the internal audit opinion of the control environment during the period under review;
- (b) the evidence gathered meets the standards for the Professional Practice of Internal Auditing and is sufficient to provide senior management with proof on the written assessment derived from the coverage plan; and

- (c) to this end, the control environment within the Electoral Commission for the 2012/13 financial year was duly considered and found to be substantially "satisfactory" in relation to the scope of internal audit work undertaken during the period under review.

### 2012/13 Internal audit coverage at the National Office

<b>Audit area</b>	
<b>Performance information</b>	
Audit of predetermined objectives	
<b>Risk management</b>	
Risk management	
<b>Information technology</b>	
IT follow-up review	IT governance framework review
<b>Human resources management</b>	
Human resources policies (selected)	Human resources PAYE [CAATs Phase 1]
<b>Operations</b>	
By- elections	
<b>Financial audits</b>	
Annual financial statements review (2011/12 final)	Financial policies and standard operating procedures
Annual financial statements review (2012/13 interim)	Month-end closure and Internal financial control
Annual report 2011/12 review	Represented Political Parties Fund: annual financial statements review (2011/12 final)
Budget performance management	Review of Treasury reporting
Supply chain management (due diligence Phase I)	
<b>General</b>	
Conflict of interest	Security and support services
Follow-up audit (audit action list)	



## 2012/13 internal audit coverage of provincial, regional and local offices

Province	Code	Regional supervisor (RS) organisational unit	Province	Code	Regional supervisor (RS) organisational unit
Eastern Cape	EC1001	NMA Nelson Mandela Bay (Port Elizabeth)	KwaZulu-Natal	KZ4005	ETH Ethekwini (Durban Metro)
Eastern Cape	EC1137	EC152 Ntabankulu (Ntabankulu)	KwaZulu-Natal	KZ4426	KZN241 Endumeni (Dundee)
Eastern Cape	EC1142	EC157 King Sabata Dalindyebo (Umtata)	KwaZulu-Natal	KZ4440	KZN266 Ulundi (Ulundi)
<b>Eastern Cape</b>	<b>3</b>		KwaZulu-Natal	KZ4444	KZN273 The Big 5 False Bay (Hluhluwe)
Free State	FS2203	FS162 Kopanong (Trompsburg)	KwaZulu-Natal	KZ4450	KZN282 Umhlathuze (Richards Bay)
Free State	FS2213	FS184 Matjhabeng (Welkom)	KwaZulu-Natal	KZ4457	KZN292 Kwadukuza (Stanger)
Free State	FS2217	FS192 Dihlabeng (Bethlehem)	<b>KwaZulu-Natal</b>	<b>6</b>	
Free State	FS2222	FS201 Moqhaka (Kroonstad)	Limpopo	LI7704	LIM333 Greater Tzaneen (Tzaneen)
<b>Free State</b>	<b>4</b>		Limpopo	LI7709	LIM343 Thulamela (Thohoyandou)
Gauteng	GP3003	JHB City Of Johannesburg (Johannesburg)	Limpopo	LI7023	LIM473 Makhuduthamaga (Ngwaritsi)
Gauteng	GP3004	TSH Tshwane Metro (Pretoria)	<b>Limpopo</b>	<b>3</b>	
Gauteng	GP3041	GT482 Randfontein (Randfontein)	Mpumalanga	MP5503	MP302 Msukaligwa (Ermelo)
Gauteng	GP3303	GT422 Midvaal (Meyerton)	Mpumalanga	MP5511	MP312 Emalahleni (Witbank)
<b>Gauteng</b>	<b>4</b>		Mpumalanga	MP5518	MP322 Mbombela (Nelspruit)
North West	NW8804	NW373 Rustenburg (Rustenburg)	<b>Mpumalanga</b>	<b>3</b>	
North West	NW8810	NW383 Mafikeng (Mafikeng)	Northern Cape	NC6012	NC452 Ga-Segonyana (Kuruman)
North West	NW8815	NW392 Naledi (Vryburg)	Northern Cape	NC6046	NC091 Sol Plaatje (Kimberley)
North West	NW8823	NW403 Matlosana (Klerksdorp)	Northern Cape	NC6605	NC065 Hantam (Calvinia)
<b>North West</b>	<b>4</b>		<b>Northern Cape</b>	<b>3</b>	
Western Cape	WC9905	WC014 Saldanha Bay (West Coast Peninsula)	<b>NB:</b> In addition to introducing an audit focus on the role of the regional supervisor, each of the nine provincial electoral offices were included in a separate but interrelated review during the period under review.		
Western Cape	WC9912	WC025 Breede Valley (Worcester)			
Western Cape	WC9918	WC033 Cape Agulhas (Bredasdorp)			
Western Cape	WC9925	WC044 George (George)			
Western Cape	WC9926	WC045 - Oudtshoorn (Oudtshoorn)			
Western Cape	WC9006	CPT - City of Cape Town (Cape Town)			
<b>Western Cape</b>	<b>6</b>				

## 2012/13 Internal Audit coverage at provincial offices

PEO Office	
Gauteng	Eastern Cape
Limpopo	Free State
North West	KwaZulu-Natal
Mpumalanga	Western Cape
Northern Cape	

## 8. Audit Committee

The Audit Committee consists of the four members listed below and meets at least twice per annum as per its approved terms of reference (charter). During the current financial year, six meetings were held.

### Audit Committee membership and attendance

Name	Qualifications	Date appointed	Number of meetings attended
Mr JFJ Scheepers (Chairperson)	CA(SA)	February 2005	6
Ms K Rapoo	BCompt	February 2010	5
Ms CH Wessels	LLM	February 2010	4
Mr JM Lekgetha	BCom	April 2011	5

The Audit Committee is part of the governance structure of the Electoral Commission, charged with statutory oversight. One of the key objectives of the Audit Committee is to ensure that the Accounting Officer, assisted by his executive management team and other officials, has:

- created and maintained an effective governance, control, risk management and audit enabling environment; and
- respected the Electoral Commission's structures of internal control that have been implemented according to the Executive Authority's expectations.

To this end, the Audit Committee subscribes to the principles of combined assurance in order to effectively discharge its oversight responsibilities with regard to the following areas, among others:

- safeguarding of assets
- effective operation of processes and controls
- quality of in-year reporting
- adherence to policies, legal and regulatory provisions
- achievement of predetermined objectives
- integrity and timeliness of financial information, including the annual financial statements
- compliance of the annual report with statutory requirements in a user friendly manner

The Audit Committee hereby confirms that it has conducted the annual review of its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein within the timeframes agreed to in its annual work plan.

## 9. Compliance with laws and regulations

A detailed review of all procurement processes and documentation was undertaken in the 2011/12 financial year, and a continuous process of monitoring the legislative environment is in place. The Electoral Commission has a fully functional compliance unit and all procurement transactions are reviewed to ensure compliance with the relevant prescripts.

Work has begun on developing a comprehensive set of compliance checklists, beginning with the PFMA. This will be a key focus of the Compliance Unit in 2013/14 as these checklists are expanded to ensure that all relevant legislation is addressed.

## 10. Fraud and corruption

The Fraud prevention policy was reviewed during 2012/13 and a revised draft is under consideration for approval. In addition, the fraud prevention strategy was reviewed and revised, and a fraud prevention implementation plan for the 2013/14 year and a fraud risk register were drafted and approved.

Key elements in the fraud prevention implementation plan include the drafting of standard operating procedures and a communications campaign to reinforce the Electoral Commission's zero tolerance to fraud and corruption.

An anonymous fax line to report suspected fraud and corruption is available at the Electoral Commission. No faxes were received in 2012/13. Any incidents reported, or that come to the attention of management through other means, are investigated and the appropriate action is taken, either disciplinary, or criminal, or both.

During the course of the year, five suspicious B-BEEE certificates were identified, and these were reported to National Treasury. In addition, vendors who charged VAT who did not appear to be registered to charge VAT were reported to National Treasury and the South African Revenue Service (SARS).

## 11. Minimising conflict of interest

The Electoral Commission recognises that conflicts extend beyond procurement matters, and a conflict of interest policy that addresses the broader issues has been drafted and is under consideration by the Commission. The need to be aware of potential conflicts and how to address these is reinforced at quarterly financial management workshops.

## 12. Code of conduct

The Electoral Commission has a code of conduct, which is contained in its Employee Policy Manual. Section 9 of the Electoral Commission Act, Act No 51 of 1996, contains a code for commissioners. Both codes are currently in the process of being reviewed by the Governance and Ethics Committee for recommendations to be made to the Commission.

## 13. Health, safety and environmental issues

The Occupational Health and Safety Act, Act No 85 of 1993 was adhered to and no contraventions were reported. The evacuation awareness training and evacuation drill was finalised for the National Office. Provincial awareness of evacuation procedures was finalised during occupational health and safety training.

The Electoral Commission has established a health and safety committee for its National Office, in accordance with the requirements of the Occupational Health and Safety Act, Act No 85 of 1993. During the period under review, this committee met four times to carry out its functions in terms of the Act.

## 14. Social responsibility

The Commission has established a Governance and Ethics Committee, which should develop a policy on social responsibility. Currently, employees of the Electoral Commission are encouraged to participate in various

initiatives to contribute to social development. Such initiatives are organised centrally and time is allowed for this. Direct financial contributions are regulated by the PFMA.

## 15. Audit Committee Report

The Audit Committee is pleased to present its report for the financial year ended 31 March 2013:

### 1. Audit Committee Responsibility

The Audit Committee hereby reports that it has complied with its responsibilities arising from Treasury Regulations issued in terms of the Public Finance Management Act 1 of 1999 (PFMA), as amended, and in particular those arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13.

The Audit Committee also confirms that it has adopted appropriate formal terms of reference contained in the Audit Committee charter as delegated to it by the Commission (Executive Authority), has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein within the timeframes agreed in its annual work plan.

### 2. The effectiveness of internal control

In line with the PFMA and principles of good governance, Internal Audit provides the Audit Committee with assurance and, in relation to the focus areas reviewed, that the internal controls are appropriate and effective.

During the year under review, Internal Audit performed work at the National and Provincial offices as well as with the regions and local offices of the Electoral Commission in the areas of internal financial controls, interim financial statements, risk management, information technology governance, conflict of interest and follow-up audits, amongst others. The following areas of concern are highlighted:

- (a) A significant number of findings for the year under review related to expenditure management where controls were found to be adequate but ineffective.
- (b) The review around budget performance management at National Office revealed deficiencies in the Budget Management Policy and the standard operating procedures that do not support good practices and adequate controls in this area.
- (c) Audit of pre-determined objectives (AoPo) revealed control weaknesses with regards to the accuracy and consistency of information reported between monthly and quarterly reports. Most findings in this area are repeat findings with little improvement year on year which is concerning. A standard operating procedure has also not as yet been developed.

However the Audit Committee is satisfied that a register of audit findings in respect of instances of deficiencies in and/

or non-compliance with key operational, governance, and policy responsibilities and prescribed policies and procedures reported in the various reports of the Internal Auditors, have been implemented and is being monitored on a continuous basis to ensure implementation of corrective actions. A progress report is submitted to each Audit Committee meeting with the last status reported therein.

The Chief Audit Executive submitted quarterly reports on internal audit findings in respect of audits performed by the co-sourced internal audit activity in line with the risk based internal audit plan as approved by the Audit Committee for the period under review.

With regard to the internal audit enabling environment and the relationship between management and internal audit the Committee has taken and continues to take steps to address this critical matter to ensure optimal operation of this aspect to achieve high standards of internal control thereby providing assurance to the country as a whole that the Electoral Commission's operations are above reproach.

The Institute of Internal Auditors South Africa was engaged to conduct a quality assessment of the Electoral Commission's internal audit activity, the draft report confirmed general conformance but is currently being reviewed by the Audit Committee and the Accounting Officer.

### 3. In-Year Management, and quarterly reports

The Audit Committee has received verbal reports on progress with implementation of strategic objectives and considered a high-level schedule of year to date expenditure against budget at its meetings and assurances provided by management have satisfied the Committee that monthly and/or quarterly reports are submitted to the executive authority.

### 4. Evaluation of financial statements

The Audit Committee reviewed and discussed the audited annual financial statements with the Accounting Officer and recommended the adoption thereof for submission to the Auditor-General for audit.


### 5. Auditor's Report

The Audit Committee reviewed the Electoral Commission's implementation plan for audit issues raised in the prior year and we are satisfied that matters have either been adequately resolved or progress is on track.

The Committee reviewed the scope and audit approach of the Auditor-General as contained in their audit plan for the year under review and has since reviewed the subsequent management letter and the response of management thereto.

The Committee also noted from the Auditor-General's Audit Report on the annual financial statements and the management letter that no new significant items or material non-compliance with legal and regulatory provisions have been reported for the period ending 31 March 2013.

The Audit Committee therefore concurs and accepts the Auditor-General's conclusions on the annual financial statements.



**J F J Scheepers**  
Chairperson of the Audit Committee  
30 July 2013



# PART D

## Human Resources Management



SOUTH AFRICA





## 1. Introduction

At the beginning of the period under review, there were 813 filled positions and 58 vacant positions. By the end of the financial year, a total of 796 posts were filled and 132 posts were vacant. The increase in the number of vacancies is as a result of newly created positions.

The National Negotiating Forum (NNF) meetings with union representatives were scheduled when needed. In a bid to strengthen and promote sound employer-employee relations, it was agreed that the recognition agreement that governs this relationship should be reviewed. This process will be concluded in the next financial year.

The employment equity (EE) report was compiled and submitted to the Department of Labour by 1 October 2012. The Employment Equity Committee is functional and progress on the employment equity plan is monitored regularly.

The training and development of staff members was a priority in the financial year. In the quest to strengthen the training of election officials, the trainers in all offices in each province were taken through the initial phase of the Occupationally Directed Education, Training and Development Practitioner qualification. The other phases will be finalised after the 2014 elections.

In addition, 55 staff members from various offices who are at a supervisory level attended the supervisory management course, which was geared towards improving their management skills.

### Personnel cost according to salary band

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Commissioners and top management	14 166	4%	9	1 574
Senior management	46 066	12%	43	1 071
Middle management	76 969	21%	147	524
Professionals	205 804	56%	641	321
Skilled	2 223	1%	10	222
Semi-skilled	7 985	2%	214	37
Very low skilled	15 821	4%	660	24
<b>Total</b>	<b>369 034</b>	<b>100%</b>	<b>1 724*</b>	<b>3 774</b>

\*Included in the total of 1 724 employees are 796 staff members that are casuals or that are on fixed-term contracts

The framework for the development of women was developed and is under consideration by members of the Commission. Implementation of this framework will commence in the next financial year. The Workplace Skills Plan was submitted to the Services Sector Education and Training Authority (SETA) on 30 June 2012.

The preparations for the training of electoral staff for the 2014 elections commenced and the review of the registration training material was finalised by the end of the reporting period. The national trainers were also taken through the new material in February 2013.

The development of the HR strategy and the HR plan is under way and will be finalised in the next financial year.

## 2. Human Resources Oversight Statistics

### Expenditure on remuneration

During the reporting period, the Electoral Commission implemented inflationary increases for its non-senior manager service (SMS) employees in April 2012 and for its SMS employees in January and April 2012.

A summary of expenditure on remuneration during the financial year under review is illustrated below:

## Training costs

Directorate/ business unit	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expendi- ture as percent- age of personnel cost	Number of employees trained	Average training cost per employee
Staff Development and Training	369 034	10 508	3%	872	12

In line with its aim to "implement performance management for the organisation", the Electoral Commission set goals and entered into performance agreements with its employees by the end of April 2012. The performance moderation was held for the 2011/12 performance cycle. The main purpose of this session was to ensure compliance with the performance management policy and its consistent application across the organisation.

The Commission approved the addition of 57 posts and currently has an establishment of 928 permanent posts. The additional posts mainly consist of ones established to address the core functions of outreach and voter education, as well as the training of electoral staff. In addition, following a comprehensive work study conducted in that area, the Electoral Commission upgraded the positions found at the regional and local levels.

## Employment and vacancies according to rank

Programme	2011/12 Number of employees	2012/13 approved posts	2012/13 Number of employees	2012/13 Vacancies	Percentage of total vacancies
Top management	2	4	3	1	0.75%
Senior management	39	43	39	4	3%
Professional qualified	684	794	673	121	91.75%
Skilled	10	10	10	0	0%
Semi-skilled	15	20	14	6	4.5%
Unskilled	56	57	57	0	0%
<b>Total</b>	<b>806</b>	<b>928</b>	<b>796</b>	<b>132</b>	<b>100%</b>

## Employment and vacancies according to department

Component	Rank	2012/13 approved posts	2012/13 Number of employees	2012/13 vacancies
Office of the CEO	CEO	1	1	0
	Manager	2	2	0
	Deputy Manager	1	0	1
	Senior Admin Officer	1	1	0
	Assistant Admin Officer	1	0	1
Commission Services	Manager	1	1	0
	Senior Admin Officer	3	3	0
	Housekeeper	1	0	1
	Cleaner	1	1	0
DCEO Corporate Services	Deputy CEO	1	1	0
	Senior Admin Officer	1	1	0



Component	Rank	2012/13 approved posts	2012/13 Number of employees	2012/13 vacancies
IT Operations	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	8	2	6
	Assistant Manager	10	3	7
	Senior Admin Officer	4	0	4
	Admin Officer	5	5	0
	Assistant Admin Office	2	1	1
Chief Financial Officer	Senior Manager	2	1	1
	Manager	3	3	0
	Deputy Manager	4	2	2
	Assistant Manager	3	2	1
	Senior Admin Officer	8	7	1
	Admin Officer	20	16	4
	Assistant Admin Officer	2	2	0
HR, Training, Skills Development and Support	Senior Manager	1	1	0
	Manager	3	3	0
	Deputy Manager	6	5	1
	Assistant Manager	4	2	2
	Senior Admin Officer	4	4	0
	Admin Officer	5	4	1
	Assistant Admin Officer	5	4	1
	Senior/Admin Clerk	4	4	0
Messenger/Cleaner	9	7	2	
Legal Services	Manager	1	0	1
	Deputy Manager	1	1	0
	Assistant Admin Officer	1	1	0
<b>DCEO Electoral Matters</b>	Deputy CEO	1	1	0
	Senior Admin Officer	1	1	0
Logistics and Infrastructure	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	2	2	0
	Assistant Manager	2	2	0
	Senior Admin Officer	2	1	1
	Assistant Admin Officer	2	2	0
Electoral Matters	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	1	1	0
	Assistant Manager	2	2	0
	Senior Admin Officer	2	2	0
	Assistant Admin Officer	2	1	1
<b>DCEO Outreach</b>	Deputy CEO	1	0	1
	Senior Admin Officer	1	1	0

Component	Rank	2012/13 approved posts	2012/13 Number of employees	2012/13 vacancies
Communication	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	1	0	1
	Senior Admin Officer	1	1	0
	Admin Officer	1	0	1
	Assistant Admin Officer	1	1	0
Civic Education, Research and Knowledge Management	Senior Manager	1	1	0
	Manager	1	0	1
	Deputy Manager	2	2	0
	Assistant Manager	1	1	0
	Senior Admin Officer	1	0	1
	Administrative Officer	2	2	0
	Assistant Admin Officer	1	1	0
Clerk/Photocopy Operator	6	6	0	
<b>Provincial electoral staff: Eastern Cape</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	4	2	2
	Assistant Manager	11	11	0
	Senior Admin Officer	26	20	6
	Admin Officer	2	2	0
	Assistant Admin Officer	2	2	0
	Messenger/Cleaner/Driver	2	1	1
	Electoral Project Coordinator	70	69	1
	Cleaner	32	32	0
<b>Provincial electoral staff: Free State</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	9	9	0
	Senior Admin Officer	12	6	6
	Admin Officer	1	1	0
	Assistant Admin Officer	2	2	0
	Messenger/Cleaner	1	1	0
	Electoral Project Coordinator	31	28	3
<b>Provincial electoral staff: Gauteng</b>	Senior Manager	1	0	1
Provincial	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	8	8	0
	Senior Admin Officer	14	10	4
	Admin Officer	2	2	0
	Assistant Admin Officer	1	1	0
	Senior Admin Clerk	1	1	0
	Messenger/Cleaner/Driver	1	0	1

Component	Rank	2012/13 approved posts	2012/13 Number of employees	2012/13 vacancies
	Electoral Project Coordinator	38	36	2
	Cleaner	5	5	0
<b>Provincial electoral staff: KwaZulu-Natal</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	16	16	0
	Senior Admin Officer	21	10	11
	Admin Officer	2	2	0
	Assistant Admin Officer	2	2	0
	Messenger/Cleaner	1	1	0
	Electoral Project Coordinator	89	84	5
<b>Provincial electoral staff: Limpopo</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	8	8	0
	Senior Admin Officer	15	13	2
	Admin Officer	1	1	0
	Assistant Admin Officer	1	1	0
	Messenger/Cleaner	1	1	0
	Electoral Project Coordinator	44	40	4
<b>Provincial electoral staff: Mpumalanga</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	7	7	0
	Senior Admin Officer	10	6	4
	Admin Officer	1	0	1
	Assistant Admin Officer	1	1	0
	Messenger/Cleaner/Driver	1	1	0
	Electoral Project Coordinator	33	32	1
<b>Provincial electoral staff: Northern Cape</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	9	8	1
	Senior Admin Officer	10	5	5
	Admin Officer	1	1	0
	Assistant Admin Officer	1	0	1
	Messenger/Cleaner/Driver	1	1	0
	Electoral Project Coordinator	35	31	4
<b>Provincial electoral staff: North West</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	1	1	0

Component	Rank	2012/13 approved posts	2012/13 Number of employees	2012/13 vacancies
	Assistant Manager	8	6	2
	Senior Admin Officer	9	5	4
	Admin Officer	1	1	0
	Assistant Admin Officer	1	1	0
	Messenger/Cleaner/Driver	1	1	0
	Electoral Project Coordinator	36	34	2
	Cleaner	18	18	0
<b>Provincial electoral staff: Western Cape</b>	Senior Manager	1	1	0
Provincial	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	10	10	0
	Senior Admin Officer	12	5	7
	Admin Officer	1	1	0
	Assistant Admin Officer	1	1	0
	Messenger/Cleaner	1	1	0
	Electoral Project Coordinator	34	28	6
<b>Total</b>		<b>928</b>	<b>796</b>	<b>132</b>

### Employment changes

The staff turnover for the Electoral Commission was  $\pm 3.6\%$  during the financial year, of which most could be attributed to terminations from the provincial and municipal level offices due to better job and salary opportunities. The trends relating to resignations are illustrated below. All positions that became vacant as a result of terminations or promotions were advertised. However, when an internal candidate was appointed in an existing vacancy, another vacancy was created, which perpetuated the cycle.

In terms of the performance targets set with regard to "reduction of the vacancy rate", 796 positions were filled at the end of March 2013, leaving 132 vacant positions as illustrated in the table below. The Electoral Commission appointed 22 new employees and promoted 19 employees, while there were 32 terminations as a result of resignations, dismissals, permanent disabilities, retirements or deaths during the period under review.

### Staff movement

Salary band	Employment at beginning of period	Appointments	Promotions	Terminations	Employment at end of the period
<b>Top management</b>	2	1	1	0	3
<b>Senior management</b>	39	2	2	2	39
<b>Professional qualified</b>	684	17	13	28	673
<b>Skilled</b>	10	0	0	0	10
<b>Semi-skilled</b>	15	1	2	2	14
<b>Unskilled</b>	56	1	1	0	57
<b>Total</b>	<b>806</b>	<b>22</b>	<b>19</b>	<b>32</b>	<b>796</b>

## Reasons for staff leaving

Reason	Number	Percentage of total number of staff leaving
Death	6	19%
Resignation	18	56%
Dismissal	2	6%
Retirement	5	16%
Ill health	1	3%
Expiry of contract	-	-
Other	-	-
<b>Total</b>	<b>32</b>	<b>100%</b>

## Staff movement according to rank

	Recruited	Promoted	Termination	Foreign employees
CEO/DCEO/Senior Manager	3	2	0	0
Manager	0	1	2	0
Deputy Manager	2	0	3	0
Assistant Manager	2	1	5	0
Senior Administrative Officer	4	12	4	0
Administrative Officer	8	0	15	0
Assistant Administrative Officer	1	0	1	0
Senior / Administrative Clerk	0	3	0	0
Messenger/Housekeeper/Driver	1	0	2	0
Cleaners	1	0	0	0
<b>TOTAL</b>	<b>22</b>	<b>19</b>	<b>32</b>	<b>0</b>

## Staff resignations and terminations

Year	Number of resignations	Percentage
2010/11	17	2.0%
2011/12	11	1.3%
2012/13	18	1.9%

## Wellness support, injury, illness and death

The Electoral Commission provided professional support and assisted employees with their wellbeing and safety through its wellness programmes. A number of awareness sessions on various wellness topics were conducted during the reporting period, as indicated below.

### Wellness awareness sessions

Year	Number of employees
2010/11	18
2011/12	7
2012/13	18

The average number of days' sick leave taken and the inherent costs are reflected below, together with the comparative figures for the previous two financial years.

## Sick leave absenteeism

Year	Total number of sick leave days taken	Estimated cost	Number of employees who took 15 consecutive days
2010/11	1 770 days	R1 844 235.04	24
2011/12	4 082 days	R4 635 784.24	88
2012/13	3 261 days	R4 520 868.80	18

### Sick leave taken according to rank

Rank	Days
Senior Manager	5.25
Manager	5.20
Deputy Manager	6.07
Assistant Manager	6.20
Senior Administrative Officer	6.14
Administrative Officer	7.51
Assistant Administrative Officer	5.80
Administration Clerk	7.25
Messenger/Cleaner	5.71

In total, seven incidents of injury while on duty or in the working environment were reported to the Compensation Commissioner in terms of the Compensation for Injuries on Duty Act.

The Commission was also sad to lose six colleagues during the year due to death.

### Employee deaths

Province	Name	Date of death
Centurion (National Office)	Mathevan Naidoo	9 November 2012
North West	Clifford Bonny Kolokoto	31 July 2012
Centurion (National Office)	Lydia Baloyi	21 October 2012
Gauteng	Sipho Aaron Madondo	1 June 2012
Free State	Mamotsheare Mokoena	2 July 2012
Free State	Johannes Oliphant	2 March 2012

### Average age of the deceased

Year	Number of deaths	Average age of death
2010/11	3	42
2011/12	7	43.8
2012/13	6	46.8

### Labour Relations: Misconduct and disciplinary action

Besides the collective agreement entered into with the National Education and Allied Workers Union (NEHAWU) in 2007, no new collective agreements were entered into.

Formal disciplinary actions were taken against eight employees for contravening financial directives, prejudicing the administration and/or misconduct. During the period under review, six cases were finalised, while two formal cases were still pending finalisation.

During the year under review, six cases were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) by employees and the representative union of the Electoral Commission for various reasons. All the cases were determined in favour of the Electoral Commission. The nature of disputes lodged with the CCMA during the reporting period is indicated in the table below.

### CCMA disputes

Nature of dispute	Number of employees
Section 191(5)(a)(iii) Reasons for dismissal not known	1
Dismissal related to misconduct – Section 191(1)	1
Unfair conduct – promotion/demotion/probation/training/benefits – section 186(2)(a)	3
Section 64(1) and Section 134 – wages	1
<b>Total</b>	<b>6</b>

The trend of matters referred to the CCMA by employees for reasons of financial misconduct, misconduct, fraud and other general disputes against the Electoral Commission over the last three comparative financial years, is illustrated in the table below.

### Disputes referred to the CCMA

Referred	
2010/11	11
2011/2012	4
2012/13	6

### Employment equity

The Electoral Commission committed itself to complying with the Employment Equity Act, Act No 55 of 1998. In this regard, vacancies are filled as far as possible in accordance with the numerical targets. The Employment Equity Committee (EEC) met twice during this period, and the required EE report was submitted to the Department of Labour on 1 October 2012. While endeavouring to meet the numerical goals as indicated below, the Electoral Commission is simultaneously engaged in a process of addressing the identified barriers (such as policy maintenance and alignment) in meeting the non-numerical goals as well. The Electoral Commission is furthermore in the process of amending its EE plan for the next five years.

### Employment equity

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	2	1	0	0	0	0	1	1
Senior management	10	17	6	2	2	2	4	3
Professional qualified	268	313	27	46	11	15	11	54
Skilled	4	4	0	0	0	0	0	1
Semi-skilled	6	8	1	1	0	1	0	1
Unskilled	0	23	0	3	0	1	0	3
<b>Total</b>	<b>290</b>	<b>365</b>	<b>34</b>	<b>55</b>	<b>13</b>	<b>18</b>	<b>16</b>	<b>63</b>

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	2	0	0	0	0	0	0
Senior management	9	14	2	2	1	0	5	3
Professional qualified	273	276	37	39	6	9	40	42
Skilled	5	4	1	0	0	0	0	1
Semi-skilled	7	7	0	1	0	0	0	1
Unskilled	55	19	2	3	0	1	0	3
<b>Total</b>	<b>349</b>	<b>322</b>	<b>42</b>	<b>45</b>	<b>7</b>	<b>10</b>	<b>45</b>	<b>49</b>

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	1	1	0	0
Skilled	0	0	0	1
Semi-skilled	0	0	0	0
Unskilled	0	0	1	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>



Representivity in terms of Employment Equity								
Levels	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
CEO/DCEO/Senior Manager	8	2	0	2	3	0	1	1
Manager	4	4	2	3	6	2	0	4
Deputy Manager	13	0	1	3	7	0	1	6
Assistant Manager	42	6	4	1	28	5	1	8
Senior Administrative Officer	39	1	3	2	43	2	2	10
Administrative Officer	172	19	3	5	174	29	2	16
Assistant Administrative Officer	2	1	0	0	21	1	0	0
SAC/Administrative Clerk	4	0	0	0	5	1	0	0
Messenger/Housekeeper/Driver	6	1	0	0	7	0	0	0
Cleaner	0	0	0	0	55	2	0	0
<b>Total</b>	<b>290</b>	<b>34</b>	<b>13</b>	<b>16</b>	<b>349</b>	<b>42</b>	<b>7</b>	<b>45</b>

### Employment equity goals

Year	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
<b>Numerical goals (until the end of November 2012)</b>	<b>348</b>	<b>52</b>	<b>17</b>	<b>60</b>	<b>305</b>	<b>53</b>	<b>10</b>	<b>47</b>
Financial year 2010/11	314	42	13	20	270	45	9	48
Financial year 2011/12	296	43	10	16	345	48	8	47
Financial year 2012/13	290	34	13	16	349	42	7	45



# PART E

Financial Information



SOUTH AFRICA

# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ELECTORAL COMMISSION (IEC)

## REPORT ON THE FINANCIAL STATEMENTS

### Introduction

1. I have audited the financial statements of the Electoral Commission set out on pages 75 to 111, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting Officer's responsibility for the financial statements

2. The Accounting Officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Electoral Commission as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

### Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual report on programme performance as set out on pages 15 to 48 of the annual report.
9. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for Managing Programme Performance Information*.  
The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
10. There were no material findings on the report on predetermined objectives concerning the usefulness and reliability of the information.

### Additional matter

11. Although no material findings concerning the usefulness and reliability of the performance information were identified in the report on predetermined objectives, I draw attention to the matter below.

### Achievement of planned targets

12. Of the total number of 41 targets planned for the year, nine targets were not achieved during the year under review. This represents 22% of total planned targets that were not achieved during the year under review. This was as a result of the institution not considering relevant systems and evidential requirements during the annual strategic planning process.

### Compliance with laws and regulations

13. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

### Internal control

14. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

## OTHER REPORTS

### Investigations

15. There is currently an investigation into the tender award for accommodation of the Electoral Commission Riverside Office Park.

*Auditor-General*

Pretoria

30 July 2013



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



SOUTH AFRICA

# Electoral Commission

Annual Financial Statements  
for the year ended 31 March 2013



# Electoral Commission

## Annual Financial Statements for the year ended 31 March 2013

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### Reporting entity

The Electoral Commission is an entity created by the Constitution of the Republic of South Africa, Act No 108 of 1996, to promote and safeguard representative democracy in South Africa. The Electoral Commission is publicly funded and accountable to Parliament, yet independent of government. Its core function is the impartial management of free and fair elections in all spheres of government.

The Accounting Officer has the pleasure of presenting this report, which forms part of the audited annual financial statements of the Electoral Commission for the year ended 31 March 2013. This report and the annual financial statements comply with the requirements of the Public Finance Management Act, Act No 1 of 1999 (PFMA) and the Electoral Commission Act, Act No 51 of 1996.

The Accounting Officer of the Electoral Commission is the Chief Electoral Officer in terms of section 36(2)(b) of the PFMA.

### Nature of business

The nature of the Electoral Commission's business is to manage elections of national, provincial and municipal legislative bodies in accordance with national legislation, to ensure that those elections are free and fair, and to declare the results of those elections within a period that is prescribed by national legislation and that is as short as possible. The Electoral Commission also has a mandate to promote knowledge of sound and democratic electoral processes.

### Registration details

The Electoral Commission is a constitutional institution established in terms of section 181(1)(f) of the Constitution of the Republic of South Africa. The registered office is Election House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, Gauteng.

### Financial highlights

The Electoral Commission received R762 million for the year under review by way of parliamentary allocation. Sundry income was generated consisting largely of interest earned, bringing the Electoral Commission's total income to R768 million.

All funds have been accounted for and are disclosed in the annual financial statements.

### Tariffs

Treasury Regulations 7.3.1 and 7.3.2 state that the Accounting Officer of an institution must review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The Accounting Officer must obtain approval from the relevant treasury for the proposed tariff structure. Tariffs were reviewed and, in an effort to enhance the activities of political parties and members of the general public, the Commission has determined the following prices, which have been approved by National Treasury:

Prices of map products not statutorily provided for				
Size	Electronic image in PDF	Printed copies	Size	Lamination price
A4	R10.00	R15.00	A4	R60.00 per film run irrespective of the number of A4 pages
A3	n/a	n/a	A3	R60.00 per film run irrespective of the number of A3 pages
A2	R60.00	R75.00	A2	R60.00 per film run irrespective of the number of A2 pages
A1	R105.00	R120.00	A1	R60.00
A0	R160.00	R180.00	A0	R120.00

Maps are provided to political parties and members of the general public only when the Electoral Commission is able to do so without negatively impacting on its own mapping requirements and activities.

In addition, the following services are provided free of any charge:

- (a) "Am I registered to vote?" (on the web and by SMS)
- (b) "Voting station finder" (on the web)
- (c) Election and by-election results data (on the web)
- (d) Registration status, level and contact details of political parties (on the web)

### Material losses through criminal conduct, irregular, fruitless and wasteful expenditure

Section 55(2)(b) of the PFMA requires the Electoral Commission to include in the annual report particulars of any material losses through criminal conduct, any irregular expenditure, and fruitless and wasteful expenditure that occurred during the financial year.

There were no confirmed material instances of losses through criminal conduct discovered during the year under review.

Irregular expenditure amounting to R28 228 022 was incurred in the financial year and is reflected in Note 28 of the annual financial statements. The circumstances surrounding the incurring of irregular expenditure have been investigated and no action will be taken against any employee in respect of this expenditure, as there was no loss to the Electoral Commission. This expenditure was irregular due to technical compliance issues only, and for the most part, relates to technical compliance in respect of contracts that were entered into prior to this financial year. Steps have been taken to prevent recurrence.

Fruitless and wasteful expenditure amounting to R12 577 was incurred in the financial year and is reflected in Note 29 of the annual financial statements. The fruitless and wasteful expenditure that relates to interest paid on overdue accounts (R7 852) will be investigated to determine whether it will be economical to recover. Penalties incurred (R4 725) will be recovered from the responsible employees. Steps have been taken to prevent recurrence.

### Events subsequent to the date of the Statement of Financial Position

Management and the Accounting Officer are not aware of any matters or circumstances arising subsequent to the end of the financial year that may materially affect the financial statements.

### Corporate governance

Various sections of the PFMA place responsibility on the Accounting Officer to ensure that the organisation complies with all applicable legislation. Any non-compliance with legislation is reported quarterly to the Executive Committee (EXCO) and the Commission.

The Accounting Officer has the responsibility for establishing a framework of internal control. The control measures are designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently managed. The internal control environment was effectively implemented by management and monitored by Internal Audit. The Accounting Officer is also responsible for maintaining adequate accounting records and an effective system of risk management.

The Accounting Officer's responsibilities include designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements and ensuring that the financial statements are free from material misstatement.

Internal controls are operated effectively during the year.

The Accounting Officer of the Electoral Commission is responsible for the preparation and fair presentation of the annual financial statements of the Electoral Commission. These statements comprise the following:

- (a) Statement of Financial Position as at 31 March 2013
- (b) Statement of Financial Performance for the year ended 31 March 2013
- (c) Statement of Changes in Net Assets
- (d) Cash Flow Statement for the financial year ended 31 March 2013
- (e) Accounting policies
- (f) Notes to the annual financial statements

# Electoral Commission

## Report of the Accounting Officer for the year ended 31 March 2013

The financial statements are prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board.

The Auditor-General is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

### Approval of the annual financial statements

The annual financial statements of the Electoral Commission, set out on pages 75 to 111, have been approved by the Accounting Officer.



**M MOEPYA**  
CHIEF ELECTORAL OFFICER  
30 July 2013

# Electoral Commission

## Statement of Financial Position as at 31 March 2013

	Note	31 March 2013 R	31 March 2012 R
<b>Assets</b>			
		<b>108,078,787</b>	<b>69,152,617</b>
<b>Current assets</b>			
Cash and cash equivalents	3	79,368,444	37,832,924
Trade and other receivables from exchange transactions	3	17,270,889	17,249,199
Inventories	4	11,439,454	14,070,494
<b>Non-current assets</b>			
		<b>335,052,036</b>	<b>339,706,264</b>
Property, plant and equipment	5	268,681,449	280,466,519
Heritage assets	6	2,079,127	1,259,230
Intangible assets	7	64,291,460	57,980,515
Non-current assets held for sale and assets of disposal groups	8	3,099,143	3,867,682
<b>Total assets</b>		<b>446,229,966</b>	<b>412,726,563</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
		<b>68,697,250</b>	<b>45,935,273</b>
Trade and other payables from exchange transactions	9	63,197,160	41,350,382
Provisions	10	104,920	367,936
Foreign and local aid assistance	11	5,395,170	4,216,955
<b>Non-current liabilities</b>			
		<b>29,363,261</b>	<b>21,275,747</b>
Operating lease liability	9	29,363,261	21,275,747
<b>Total liabilities</b>		<b>98,060,511</b>	<b>67,211,020</b>
<b>Net assets</b>			
Accumulated surplus		348,169,455	345,515,543
<b>Total liabilities and net assets</b>		<b>446,229,966</b>	<b>412,726,563</b>

# Electoral Commission

## Statement of Financial Performance for the year ended 31 March 2013

	Note	31 March 2013 R	31 March 2012 R
<b>Revenue</b>			
<b>Revenue from non-exchange transactions</b>	12	<b>762,156,000</b>	<b>844,238,000</b>
Parliamentary allocation		762,156,000	839,788,000
Sponsorship revenue		-	4,450,000
<b>Revenue from exchange transactions</b>	13	<b>6,097,509</b>	<b>10,594,115</b>
Political party registration fees		8,100	4,200
Investment revenue		5,853,376	10,268,152
Other operating revenue	13.1	236,033	321,763
<b>Total revenue</b>		<b>768,253,509</b>	<b>854,832,115</b>
<b>Expenditure</b>			
		<b>(766,175,225)</b>	<b>(1,313,739,447)</b>
Employee-related costs	14	(369,034,256)	(412,557,163)
Goods and services	15	(325,564,526)	(828,798,343)
Depreciation, amortisation and impairment	16	(57,513,780)	(57,103,340)
Audit fees	17	(4,510,098)	(4,873,673)
Finance costs	18	(12,387)	(20,438)
Debt Impairment	19	(105,251)	(307,323)
Repairs and maintenance	20	(9,434,927)	(10,079,167)
<b>Total expenditure</b>		<b>(766,175,225)</b>	<b>(1,313,739,447)</b>
Surplus/(deficit) on sale of assets	21	575,628	(1,498,948)
<b>Surplus/(deficit) for the year</b>		<b>2,653,912</b>	<b>(460,406,280)</b>

# Electoral Commission

## Statement of Changes in Net Assets for the year ended 31 March 2013

	Note	R Accumulated surplus	R Total net assets
Balance at 1 April 2011		805,921,823	805,921,823
(Deficit) for the year		<u>(460,406,280)</u>	<u>(460,406,280)</u>
Balance at 1 April 2012		345,515,543	345,515,543
Surplus for the year		<u>2,653,912</u>	<u>2,653,912</u>
Balance at 31 March 2013		<u><u>348,169,455</u></u>	<u><u>348,169,455</u></u>

# Electoral Commission

## Cash Flow Statement for the year ended 31 March 2013

		31 March 2013	31 March 2012
		R	R
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash receipts from customers</b>		<b>768,231,819</b>	<b>856,446,880</b>
Parliamentary allocation		762,156,000	839,788,000
Other receipts		-	4,450,000
Investment revenue		5,853,376	10,268,152
Sale of goods and services		222,443	1,940,728
<b>Cash paid to suppliers and employees</b>		<b>(675,180,919)</b>	<b>(1,319,115,879)</b>
Employee costs		(369,034,256)	(412,557,163)
Finance costs		(12,387)	(20,438)
Suppliers		(306,029,025)	(906,230,955)
Debt impairment		(105,251)	(307,323)
<b>Net cash flows from operating activities</b>	23	<b>93,050,900</b>	<b>(462,668,999)</b>
<b>Cash flows from investing activities</b>		<b>(51,515,380)</b>	<b>(62,072,467)</b>
Purchase of property, plant and equipment	5	(34,007,391)	(59,751,284)
Proceeds from sale of property, plant and equipment		421,003	2,323,438
Surplus/(loss) from sale of property, plant and equipment		575,628	(1,498,948)
Purchase of heritage assets	6	(832,951)	(37,277)
Purchase of intangible assets	7	(17,867,151)	(3,229,807)
Disposal of assets held for sale	8	195,519	121,411
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>41,535,520</b>	<b>(524,741,466)</b>
Cash and cash equivalents at the beginning of the year		37,832,924	562,574,390
<b>Cash and cash equivalents at the end of the year</b>	3	<b>79,368,444</b>	<b>37,832,924</b>



### 1. Presentation of annual financial statements

#### *Basis of preparation*

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. A summary of the significant accounting policies, which have been consistently applied, except where an exemption or transitional provision has been granted, are disclosed below.

#### *Statement of compliance*

The annual financial statements have been prepared in accordance with the effective standards of GRAP, including any interpretations and directives issued by the Accounting Practices Board.

The financial statements encompass the reporting as specified in the PFMA.

#### *Going concern assumption*

The financial statements have been prepared on a going concern basis.

#### *Comparative figures*

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification are disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

#### *Functional and presentation currency*

The financial statements are presented in South African Rand, which is the Electoral Commission's functional currency. All information has been rounded off to the nearest R1.

#### *Budgetary information*

The budget and the accounting bases differ. The financial statements for the Electoral Commission are prepared on

the accrual basis, using a classification based on the nature of expenses in the Statement of Financial Performance. The budget is approved on the cash basis. A reconciliation between the actual amounts on a comparable basis as presented in the Statement of Financial Performance and the budget documents for the year under review is presented in the notes to the annual financial statements.

#### *Offsetting*

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a standard of GRAP.

#### *New standards, amendments to existing standards adopted*

During the current financial year, the following GRAP standards became effective and were adopted by the Electoral Commission:

- GRAP 21: Impairment of non-cash generating assets
- GRAP 24: Presentation of budget information in financial statements
- GRAP 26: Impairment of cash-generating assets
- GRAP 104: Financial instruments

The adoption of these newly effected GRAP standards did not have a significant impact on the financial statements, as the principles are similar to those already applied under International Financial Reporting Standards (IFRS).

### 1.1 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 are 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 estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgements include the following:

#### *Trade and other receivables*

The Electoral Commission assesses its trade receivables and other receivables for impairment at each reporting

date. In determining whether an impairment loss should be recorded in surplus or deficit, the Electoral Commission 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 trade and other receivables is calculated on a portfolio basis and all debts over three months old, where payments are not being received, are impaired.

### ***Useful lives of property, plant and equipment, and intangible assets***

The Electoral Commission determines the estimated useful lives and related depreciation charges for property, plant and equipment, and intangible assets. This estimate is based on the condition and use of the individual assets in order to determine the remaining period over which the asset can and will be used.

## **1.2 Financial instruments**

The Commission's financial assets comprise trade and other receivables from exchange transactions, and cash and cash equivalents. Financial assets are categorised, according to their nature, as either financial assets at fair value, financial assets at amortised cost or financial assets at cost.

The Commission's financial liabilities comprise trade and other payables from exchange transactions. Financial liabilities are categorised at fair value. The subsequent measurement of financial assets and liabilities depends on this categorisation.

### ***Initial recognition***

Financial assets and liabilities are recognised in the statement of financial position only when the Electoral Commission becomes a party to the contractual provisions of the instrument. The Electoral Commission recognises financial assets using trade date accounting.

### ***Measurement***

When a financial asset or financial liability is initially recognised, the Electoral Commission measures it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, non-derivative financial assets and liabilities are measured as described below.

### ***Trade and other receivables from exchange transactions***

Trade and other receivables from exchange transactions originated by the Electoral Commission classified as financial assets are stated at amortised cost using the effective interest method, less any impairment losses.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed to determine whether there is any objective evidence that the amount is not recoverable. If so, an impairment loss is recognised immediately in the Statement of Financial Performance.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

### ***Cash and cash equivalents***

Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For purposes of the Cash Flow Statement, as well as the Statement of Financial Position, cash and cash equivalents comprise cash on hand and other short-term investments. Cash and cash equivalents classified as financial assets are stated at amortised cost.

### ***Trade and other payables from exchange transactions***

Trade and other payables from exchange transactions are initially measured at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

The Electoral Commission's trade and other payables from exchange transactions relate to the amount owed to the

# Electoral Commission

## Accounting policies for the year ended 31 March 2013

suppliers, and other accruals. The Electoral Commission's accrual amount represents goods and services that have been delivered by the supplier, but remain unpaid as at year-end.

### **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 shall be 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.

### **Method and significant assumptions in determining fair value**

Fair values of financial assets, non-financial assets and liabilities have been determined for measurements and/or disclosure purposes based on the methods indicated below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount of cash and cash equivalents approximates fair value due to the relatively short-term maturity of these financial assets.

The fair value of trade and other receivables from exchange transactions is calculated as the present value of future cash flows, discounted at a market rate of interest at the reporting date.

Fair value of non-derivative financial liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### **De-recognition of financial instruments**

Financial assets are de-recognised when the Electoral Commission loses control of the contractual rights that comprise the financial assets. The Electoral Commission loses control if the right to benefits specified in the contract are realised, the rights expire or the Electoral Commission surrenders those rights.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

### **Offsetting**

A financial asset and a financial liability shall be offset and the net amount presented in the Statement of Financial Position when and only when the Electoral Commission:

- currently has a legally enforceable right to set off the recognised amounts; and
- intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for de-recognition, the Electoral Commission does not offset the transferred asset and the associated liability

## 1.3 Inventories

Inventories that qualify for recognition as assets shall initially be measured at cost.

Electoral and promotional items stock is measured at the lower of cost and current replacement cost where they are held for distribution at no charge. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Consumable stores are measured at the lower of cost and net realisable value. Net realisable value is the estimated value in use in the ordinary course of business, less the estimated costs of completion. Net realisable value for consumables is assumed to approximate the cost price due to the relatively short period that these assets are held in stock.

When inventories are sold, exchanged or distributed, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realisable value or current replacement cost, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.4 Property, plant and equipment

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

An item of property, plant and equipment is recognised as an asset if it is probable that economic benefits or service potential associated with the item will flow to the Electoral Commission and the cost can be measured reliably. Property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Elements of cost include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the obligation for which the Electoral Commission incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

Property, plant and equipment are stated in the Statement of Financial Position at cost less any subsequent accumulated depreciation and impairment losses. These assets are depreciated on the straight-line basis at rates that will result in each asset being written off over its useful life. When parts 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.

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 shall be depreciated separately. Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment are as follows:

<i>Class</i>	<i>Estimated useful life in years</i>
Pre-fabricated buildings	7–10 years
Furniture and fittings	10–15 years
Motor vehicles	3–5 years
Office machines and equipment	8–10 years
Computer equipment	3–5 years
Scanners (zip-zips)	7–10 years
Cell phones	3 years
Appliances	5–10 years

Leasehold improvements are capitalised, as the Electoral Commission controls the assets for the period of the lease. Leasehold improvements are depreciated over the shorter of the lease term and the assets' useful lives.

The Electoral Commission reviews the useful lives, residual values and depreciation methods of items of property, plant and equipment at least at every reporting date. Where expectations differ from previous estimates, the change(s) are accounted for as a change in accounting estimate.

#### *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Electoral Commission and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

#### *De-recognition*

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the Statement of Financial Performance in the year it is recognised.

### 1.5 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if:

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

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

The cost of a purchased heritage asset comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Directly attributable expenditure includes, for example, costs initially incurred to acquire and assess the state of the heritage asset, costs to restore it, costs initially incurred to remove it or restore the site where it was located, professional fees, property transfer taxes, initial delivery and handling costs, installation and assembly costs, and other transaction costs.

After recognition as an asset, artwork is not depreciated and is carried at cost less impairment losses.

### 1.6 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

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

#### *Acquired intangible assets*

Intangible assets are recognised when it is probable that future economic benefits specifically attributable to the assets will flow to the Electoral Commission and the cost of the intangible assets can be measured reliably. Intangible assets are stated at cost less any accumulated amortisation and impairment losses.

#### *Internally generated intangible assets*

Internally generated intangible assets arising from the development phase of internal projects are recognised when:

- the Electoral Commission has an intention to complete and use the intangible asset and adequate technical, financial and other resources to complete the development are available;
- the intangible asset will generate probable future economic benefits or service potential; and
- the Electoral Commission is able to measure the expenditure attributable to the intangible asset reliably during its development.

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

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives.

<i>Item</i>	<i>Estimated useful life in years</i>
Computer software	5–8 years

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

### 1.7 Non-current assets held for sale

The Electoral Commission classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available in its present condition and the sale must be highly probable.

A sale is highly probable if the appropriate level of management is committed to a plan to sell. This means that the Electoral Commission must:

- have begun an active programme to locate a buyer and complete the sale;
- be actively marketing the asset at a price that is reasonable, compared to its current fair value;
- have made a sale to be completed within one year from the date of classification, unless a delay is caused by events beyond the Electoral Commission's control; and
- carry out actions required to complete the plan, which should indicate that it is not likely that there will be significant changes made to the plan or that the plan will be withdrawn.



Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets held for sale are not depreciated.

### 1.8 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the Electoral Commission directly in return for services rendered or goods sold, the value of which approximates the fair value of the consideration received or receivable. At the time of initial recognition, the full amount of revenue is recognised.

When goods or services are exchanged or swapped for goods or services that are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

Political party registration income is recognised on receipt.

Investment revenue comprises interest income on invested funds. Interest income is recognised on a time-proportion basis using the effective interest method.

### 1.9 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the Electoral Commission receives revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions includes parliamentary allocations and sponsorship income.

Parliamentary allocations and sponsorship income are recognised when there is reasonable assurance that the Electoral Commission will comply with the conditions attached to them and the allocation will be received.

Revenue is recognised when it is probable that future economic benefits will flow to the Electoral Commission and these benefits can be measured reliably. Revenue is measured at fair value of the consideration received or

receivable and represents the amounts receivable for services provided in the normal course of business.

### 1.10 The effects of changes in foreign exchange rates

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items (ie, cash and cash equivalents, trade receivables from exchange transactions and trade and other payables from exchange transactions) are translated using the closing rate.

Non-monetary items (ie, property, plant and equipment) are translated using the exchange rate either at the date that the transaction occurred (when these items are carried at historical cost) or when fair value is determined (when these items are carried at revalued amounts).

Foreign currency differences arising from settlement or translation of monetary items are included in surplus or deficit, whereas any differences on translation of non-monetary items are included either in net assets (where any gains or losses on those items are recognised in net assets) or surplus or deficit.

### 1.11 Finance cost

Finance cost comprises the following:

- Interest expense
- Unwinding of the discount on provisions

All borrowing costs are recognised in surplus or deficit using the effective interest method.

### 1.12 Donor-funded projects

In terms of donor requirements contained in financial agreements with benefactors, unexpended donor funds ring-fenced for specific projects are reflected as current liabilities in circumstances where such funds are repayable to donors in the event of the funds not being utilised on the specific project.

Unexpended donor funds that are not required to be repaid and that relate to completed projects are treated as operating income in the year that the projects are deemed completed.

# Electoral Commission

## Accounting policies for the year ended 31 March 2013

### 1.13 Taxation

No provision is made for taxation as the Electoral Commission is exempt from tax in terms of Section 10(1)(cA) of the Income Tax Act.

### 1.14 Leases

#### *Finance leases as the lessee*

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the Electoral Commission. The Electoral Commission does not enter into contractual agreements, which include finance leases, as this is prohibited by the Treasury Regulation 13.2.5, which states:

“The Accounting Officer of an institution may, for the purposes of conducting the institution’s business, enter into lease transactions without any limitations provided that such transactions are limited to operating lease transactions.”

#### *Operating leases as the lessee*

An operating lease is a lease other than a finance lease. Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease.

### 1.15 Employee benefit cost

#### *Short-term employee benefits*

Short-term employee benefits are measured on an undiscounted basis and are recognised in the Statement of Financial Performance in the reporting period that the related service is delivered.

#### *Termination benefits*

Termination benefits are recognised as an expense when the entity is demonstrably committed, without the realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Electoral Commission has made an offer of voluntary redundancy, if it is probable that the offer will be accepted and if the number of acceptances can be estimated reliably,

#### *Retirement benefits – defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Electoral Commission operates defined contribution retirement benefit plans for its employees.

The assets of the plans are held separately from those of the Electoral Commission under the control of trustees.

Payments to the defined contribution plan are charged as an expense as they fall due in the Statement of Financial Performance.

#### *Accrual for leave pay*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual based on the basic salary is raised for estimated liabilities as a result of services rendered by employees up to the reporting date.

### 1.16 Impairment of assets

#### *Cash-generating assets*

Cash-generating assets are assets held with the primary objective of generating a commercial return. The Electoral Commission assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Electoral Commission estimates the asset’s recoverable amount.

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.



An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the entity estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

### **Non-cash generating assets**

Non-cash-generating assets are assets other than cash-generating assets. The Electoral Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. 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. The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset. An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

### **1.17 Irregular expenditure**

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

- The PFMA
- The State Tender Board Act, Act No 86 of 1968, or any regulations made in terms of the Act
- Any provincial legislation providing for procurement procedures in that provincial government

National Treasury Practice Note No 4 of 2008/09, which was issued in terms of sections 76(1) to 76(4) of the PFMA, requires that from 1 April 2008, irregular expenditure that was incurred and identified during the current financial year and that was condoned before year end and/or before finalisation of the financial statements is recorded appropriately in the irregular expenditure register. In such an instance, no further action is taken except that the note to the financial statements is updated.

All irregular expenditure is recognised in the annual financial statements in the period in which it is incurred and disclosed separately.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.18 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised.

The expenditure is accounted for as expenditure in the Statement of Financial Performance and is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### **1.19 Unauthorised expenditure**

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; or
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

The expenditure is accounted for as expenditure in the Statement of Financial Performance and is classified in accordance with the nature of the expense. Where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.20 Provisions, commitments and contingencies

#### Provisions

A provision is a liability where the timing or amount of the outflow of resources embodying economic benefits or service potential is uncertain.

A provision is recognised when:

- the Electoral Commission has a present obligation (legal or constructive) 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 amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditure expected to be required to settle the present obligation. The discount rate shall reflect current market assessments of the time value of money and risks specific to the liability.

The Electoral Commission reviews provisions at each reporting date, and adjusts them if necessary to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

#### Commitments

A commitment is an agreement between two or more parties that is binding on those parties to the degree that to renege on the agreement will be costly.

Commitments represent orders issued to suppliers that have been approved, but where no delivery has taken place as at year-end, and contractual commitments.

Commitments are not recognised as liabilities or assets in the Statement of Financial Position, but are included in the disclosure notes.

The Electoral Commission discloses the amount of contractual commitments for the acquisition of property, plant and equipment, and intangible assets.

An onerous contract is a contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it. The Electoral Commission has no onerous contracts.

#### Contingent liabilities

A contingent liability is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of the Electoral Commission.

Alternatively, a contingent liability is a present obligation that arises from past events, but which is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure note.

#### Contingent assets

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of the Electoral Commission and give rise to the possibility of an inflow of economic benefits or service potential to the Electoral Commission. Contingent assets are not recognised and are included in the disclosure note.

### 1.21 Related parties

Related-party transactions are transactions that involve the transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Related-party relationships exist throughout the public sector for the following reasons:

- Constitutional institutions, departments and municipalities are subject to the overall direction of an executive government or council, and ultimately, Parliament, and operate together to achieve the policies of government.
- Constitutional institutions, departments and municipalities frequently conduct activities necessary for the achievement of different parts of

their responsibilities and objectives through separate controlled entities, and through entities over which they have significant influence.

- Public entities enter into transactions with other government entities on a regular basis.
- Ministers, councillors or other elected or appointed members of the government and other members of management can exert significant influence over the operations of an entity.

Implicit in the definition of related party are other government entities and joint ventures that have a significant influence on the Electoral Commission and its activities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Electoral Commission directly or indirectly.

### 1.22 Changes in estimates and prior-period errors

#### *Changes in estimates*

As a result of the uncertainties inherent in delivering services, many items in financial statements cannot be measured with precision, but can only be estimated. Estimates involve judgement based on recently available, reliable information and therefore an estimate may change as new information becomes known, circumstances change or more experience is obtained.

The Electoral Commission recognises the effects of changes in accounting estimates prospectively, by including the effects in surplus or deficit in the period of the change if the change affects that period only, or in the period of the change and future periods, if the change affects both.

#### *Prior-period errors*

Prior-period errors are omissions from, and misstatements in, the Electoral Commission's financial statements for one or more prior period, arising from a failure to use (or misuse of) reliable information that was available when the financial

statements for those periods were authorised for issue and could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effect of mistake in applying the accounting policy, oversight or misinterpretation of facts.

### 1.23 Events after the reporting period

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

The Electoral Commission adjusts the amounts recognised in its financial statements to reflect conditions that existed at the end of the reporting period (adjusting events after reporting date) prior to authorisation for issue.

## 2. Effect of new GRAP standards

The following GRAP standards have been approved but are not yet effective:

- GRAP 18: Segment reporting
- GRAP 20: Related-party disclosures
- GRAP 105: Transfers between entities under common control
- GRAP 106: Transfers between entities not under common control
- GRAP 107: Mergers

The effective date for the above has not yet been determined.

The adoption of these GRAP standards, when they become effective, is not expected to have a significant impact on the financial statements. The Electoral Commission does not participate in the transactions covered by GRAP 18, 105, 106 and 107, and the effects of GRAP 20 are similar to those already applied under International Public Sector Accounting Standards IPSAS 20.

	31 March 2013 R	31 March 2012 R
<b>3. Financial assets by category</b>		
The accounting policies for financial instruments have been applied to the line items below.		
<b>Financial assets recognised at cost</b>		
Cash and cash equivalents	79,368,444	37,832,924
Trade and other receivables	17,270,889	17,249,199
	<u><b>96,639,333</b></u>	<u><b>55,082,123</b></u>

Financial assets have not been pledged as collateral for liabilities or contingent liabilities.

### 3.1 Cash and cash equivalents

Cash on hand	175,885	193,074
Bank balances	20,832,553	14,076,938
Short-term notice deposits	58,360,006	23,562,912
	<u><b>79,368,444</b></u>	<u><b>37,832,924</b></u>

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with a registered banking institution with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.

The notice deposits are carried at an effective floating interest rate that varied between 4.53% and 5.11% (2012: 4.90% and 5.43%).

No restrictions have been placed on the use of cash and cash equivalents for the operations of the Electoral Commission.

### 3.2 Trade and other receivables from exchange transactions

Cash collateral provided: property rentals	8,131,431	7,108,031
Accrued interest	72,040	129,943
Sundry receivables	1,356,302	2,490,148
Prepayments	8,050,480	7,866,835
Less: impairment allowance		
Sundry receivables	(339,364)	(275,115)
Cash collaterals	-	(70,643)
	<u><b>17,270,889</b></u>	<u><b>17,249,199</b></u>

#### Trade and other receivables past due but not impaired

Trade and other receivables that are less than three months past due are not considered to be impaired. At 31 March 2013, there were no debts that were past due but not impaired. (2012: none)

#### Trade and other receivables impaired

As of 31 March 2013, trade and other receivables of R339,364 (2012: R275,115) were impaired and provided for.

	31 March 2013 R	31 March 2012 R
The ageing of impaired debts is as follows:		
Not due	372	-
31–120 days past due	986	57,682
120–365 days past due	18,936	50,608
More than 365 days past due	319,070	166,825
	<u><b>339,364</b></u>	<u><b>275,115</b></u>

	31 March 2013 R	31 March 2012 R
<b>Reconciliation of allowance for impairment of trade and other receivables</b>		
Opening balance	345,758	129,926
Provision for impairment	-	215,832
Unused amounts reversed	(6,394)	-
	<u><b>339,364</b></u>	<u><b>345,758</b></u>

The creation and release of the provision for impaired receivables have been included in operating expenses and surplus or deficit.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

#### Trade and other receivables pledged as security

The Electoral Commission does not hold any collateral as security.

### 3.3 Prepayments

Administrative expenses	177,332	80,597
Software licences	7,321,213	7,084,616
Subscription and membership	551,935	701,622
	<u><b>8,050,480</b></u>	<u><b>7,866,835</b></u>

### 4. Inventories

Consumable stores	440,840	269,994
Promotional items	214,595	268,472
Electoral stock	10,784,019	13,532,028
	<u><b>11,439,454</b></u>	<u><b>14,070,494</b></u>

Electoral stock is stock that is acquired for elections.

## 5. Property, plant and equipment (All figures in Rand)

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

	31 March 2013		
Cost	Accumulated depreciation and impairment losses	Carrying amount	
Pre-fabricated buildings	2,354,560	(254,371)	2,100,189
Furniture and fittings	56,643,424	(14,143,024)	42,500,400
Motor vehicles	48,987,654	(12,835,418)	36,152,236
Office equipment	36,470,635	(16,521,509)	19,949,126
Computer equipment	141,732,892	(70,000,981)	71,731,911
Leasehold improvements	1,695,706	(1,418,319)	277,387
Scanners	169,154,655	(76,142,766)	93,011,889
Cell phones	2,530	(1,571)	959
Appliances	4,623,739	(1,666,387)	2,957,352
<b>Total</b>	<b>461,665,795</b>	<b>(192,984,346)</b>	<b>268,681,449</b>

	31 March 2012		
Cost	Accumulated depreciation and impairment losses	Carrying amount	
Pre-fabricated buildings	1,043,604	(203,875)	839,729
Furniture and fittings	50,157,112	(10,852,277)	39,304,835
Motor vehicles	39,908,305	(9,627,327)	30,280,978
Office equipment	34,047,866	(13,128,500)	20,919,366
Computer equipment	131,916,922	(55,378,497)	76,538,425
Leasehold improvements	1,630,944	(1,304,755)	326,189
Scanners	167,872,496	(58,778,370)	109,094,126
Cell phones	2,530	(1,216)	1,314
Appliances	4,327,745	(1,166,188)	3,161,557
<b>Total</b>	<b>430,907,524</b>	<b>(150,441,005)</b>	<b>280,466,519</b>

### Reconciliation of property, plant and equipment – 31 March 2013

	Opening balance	Additions	Disposals	Reclassified as assets held for sale	Depreciation	Impairment loss	Closing balance
Pre-fabricated buildings	839,729	1,310,956	-	-	(50,496)	-	2,100,189
Furniture and fittings	39,304,835	6,835,875	(9,638)	(95,201)	(3,481,428)	(54,043)	42,500,400
Motor vehicles	30,280,978	10,081,012	(198,441)	(191,421)	(3,819,892)	-	36,152,236
Office equipment	20,919,366	3,673,118	(35,937)	(134,232)	(4,442,528)	(30,661)	19,949,126
Computer equipment	76,538,425	10,886,334	(172,366)	(6,922)	(15,478,896)	(34,664)	71,731,911
Leasehold improvements	326,189	64,763	-	-	(113,565)	-	277,387
Scanners	109,094,126	833,229	-	-	(16,915,466)	-	93,011,889
Cell phones	1,314	-	-	-	(355)	-	959
Appliances	3,161,557	322,104	(4,581)	(2,621)	(516,329)	(2,778)	2,957,352
<b>Total</b>	<b>280,466,519</b>	<b>34,007,391</b>	<b>(421,003)</b>	<b>(430,397)</b>	<b>(44,818,955)</b>	<b>(122,146)</b>	<b>268,681,449</b>

Asset condition was taken account of when determining whether the asset should be impaired.

### Reconciliation of property, plant and equipment – 31 March 2012

	Opening balance	Additions	Disposals	Reclassified as assets held for sale	Depreciation	Impairment loss	Closing balance
Pre-fabricated buildings	99,926	799,103	(13,549)	-	(45,751)	-	839,729
Furniture and fittings	41,796,377	1,143,749	(141,214)	(53,778)	(3,403,104)	(37,195)	39,304,835
Motor vehicles	19,938,678	18,028,693	(600,817)	(3,044,974)	(4,040,602)	-	30,280,978
Office equipment	24,245,374	2,613,463	(145,165)	(672,884)	(5,089,798)	(31,624)	20,919,366
Computer equipment	55,232,504	37,107,259	(415,137)	(12,125)	(15,359,988)	(14,088)	76,538,425
Leasehold improvements	652,378	-	-	-	(326,189)	-	326,189
Scanners	127,033,414	-	(998,405)	-	(16,940,883)	-	109,094,126
Cell phones	2,087	-	-	-	(773)	-	1,314
Appliances	3,621,075	59,017	(4,903)	(3,468)	(509,342)	(822)	3,161,557
<b>Total</b>	<b>272,621,813</b>	<b>59,751,284</b>	<b>(2,319,190)</b>	<b>(3,787,229)</b>	<b>(45,716,430)</b>	<b>(83,729)</b>	<b>280,466,519</b>

### 6. Heritage assets (All figures in Rand)

	31 March 2013	31 March 2012
Cost	Accumulated Depreciation and impairment losses	Carrying amount
2,080,306	(1,179)	2,079,127
		Cost
		Accumulated Depreciation and impairment losses
		1,260,107
		(877)
		1,259,230

### Reconciliation of heritage assets – 31 March 2013

	Opening balance	Additions	Disposals	Reclassified as assets held for sale	Depreciation	Impairment loss	Closing balance
Artwork	1,259,230	832,951	-	(12,752)	-	(302)	2,079,127

Asset condition was taken account of when determining whether the asset should be impaired.

### Reconciliation of heritage assets – 31 March 2012

	Opening balance	Additions	Disposals	Reclassified as assets held for sale	Depreciation	Impairment loss	Closing balance
Artwork	1,252,984	37,277	(4,248)	(26,422)	-	(361)	1,259,230

There are no restrictions on title and disposal of heritage assets. Heritage assets are not pledged as securities for liabilities.



7. Intangible assets (All figures in Rand)

	31 March 2012	
	Cost	Accumulated Depreciation and impairment losses
	87,659,993	(29,679,478)
		<b>Carrying Amount</b>
		<b>57,980,515</b>

	31 March 2013	
	Cost	Accumulated Depreciation and impairment losses
	106,527,144	(41,235,684)
		<b>Carrying Amount</b>
		<b>64,291,460</b>

Computer software

Reconciliation of intangible assets – 31 March 2013

	Opening balance	Additions	Amortisation	Impairment loss	Closing balance
Computer software	57,980,515	17,867,151	(11,556,206)	-	<b>64,291,460</b>

Reason for Impairment loss:

Reconciliation of intangible assets – 31 March 2012

	Opening balance	Additions	Amortisation	Impairment loss	Closing balance
Computer software	65,984,524	3,229,807	(10,718,531)	(515,285)	<b>57,980,515</b>

Computer software

### 8. Non-current assets held for sale and assets of disposal groups

	31 March 2013		
	Cost	Accumulated depreciation	Carrying amount
Opening balance	11,618,063	(7,750,381)	3,867,682
Computer equipment	121,939	(115,017)	6,922
Office machines and equipment	1,151,287	(1,017,054)	134,233
Furniture and fittings	321,154	(225,953)	95,201
Heritage assets (artwork)	12,752	-	12,752
Appliances	19,231	(16,610)	2,621
Motor vehicles	606,338	(414,917)	191,421
<b>Total</b>	<b>13,850,764</b>	<b>(9,539,932)</b>	<b>4,310,832</b>
Less: Disposals	(724,345)	528,826	(195,519)
Increase in impairment allowance – non-current assets held for sale		(1,016,170)	(1,016,170)
	<b>13,126,419</b>	<b>(10,027,276)</b>	<b>3,099,143</b>

Non-current assets held for sale and assets of disposal groups represent assets approved by the Electoral Commission for disposal. The assets will be disposed of during the 2013/14 financial year.

	31 March 2012		
	Cost	Accumulated depreciation	Carrying amount
Opening balance	10,993,228	(10,748,781)	244,447
Computer equipment	281,485	(269,360)	12,125
Office machines and equipment	2,682,300	(2,009,417)	672,883
Furniture and fittings	225,497	(171,718)	53,779
Artwork	26,460	(38)	26,422
Appliances	28,489	(25,021)	3,468
Motor vehicles	7,924,884	(4,879,910)	3,044,974
<b>Total</b>	<b>22,162,343</b>	<b>(18,104,245)</b>	<b>4,058,098</b>
Less: Disposals	(10,544,280)	10,422,868	(121,412)
Increase in impairment allowance – non-current assets held for sale	-	(69,004)	(69,004)
	<b>11,618,063</b>	<b>(7,750,381)</b>	<b>3,867,682</b>

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

	31 March 2013 R	31 March 2012 R
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### 9. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below.

#### Financial liabilities recognised at fair value

Trade and other payables	63,197,160	41,350,382
Operating lease liability	29,363,261	21,275,747
	<b>92,560,421</b>	<b>62,626,129</b>

#### 9.1 Trade and other payables from exchange transactions

Trade payables	33,958,890	18,951,553
Payroll payables	26,250,267	21,548,304
Deposits received	4,000	53,000
Sundry creditors	-	-
Accrued leave pay	-	-
Cheques and EFTs not presented for payment	2,984,003	797,525
	<b>63,197,160</b>	<b>41,350,382</b>

#### 9.2 Operating lease liability

##### Operating lease straight lining

Leases - straight lining	<b>29,363,261</b>	<b>21,275,747</b>
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##### Total minimum lease payments

Not later than one year	46,891,741	46,228,559
Later than one year and not later than five years	220,353,534	186,008,704
Later than five years	109,934,230	102,291,022
	<b>377,179,505</b>	<b>334,528,285</b>

The minimum lease payments reflected above relate to building lease commitments only. Other contractual commitments are included under Note 24.

Operating lease payments represent rentals payable by the Electoral Commission, including the National Office, nine provincial offices, 10 warehouses and 234 municipal offices. No contingent rent is payable. New contracts entered into have an average term of 5 to 7 years and escalate at 10% per annum.

### 10. Provisions

Reconciliation of provisions

	Opening balance	Reversed during the year	Additions	Closing balance
<b>March 2013</b>				
COIDA	367,936	(263,016)	-	<b>104,920</b>
<b>March 2012</b>				
COIDA	-	-	367,936	<b>367,936</b>

A provision is made for the estimated liability in respect of the Compensation for Occupational Injuries and Diseases Act (COIDA) in respect of employees who are injured on duty.

	31 March 2013 R	31 March 2012 R
<b>11. Foreign and local aid assistance</b>		
KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs	959,884	4,216,955
North West Local Government	4,435,286	-
	<b>5,395,170</b>	<b>4,216,955</b>

The Electoral Commission was appointed by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to manage and deliver 296 traditional councils' elections in KwaZulu-Natal. The Department pledged R18,000,000 for the project, received in the 2012 financial year. The unused balance of R959,884 will be refunded to the KwaZulu-Natal CoGTA in 2013/14 financial year.

The Electoral Commission was appointed by the Department of Local Government to manage and deliver traditional councils' elections in North West. The Department pledged an initial amount of R4,435,286 for the project. The funds were received in the current financial year.

These funds received are not included as income nor are the payments made out of these funds treated as expenses as these amounts are only administered by the Electoral Commission on behalf of the relevant parties or beneficiaries. The net amount is reported in the Statement of Financial Position as a current liability.

## 12. Revenue from non-exchange transactions

Parliamentary allocation	762,156,000	839,788,000
Sponsorship revenue	-	4,450,000
	<b>762,156,000</b>	<b>844,238,000</b>

## 13. Revenue from exchange transactions

Political party registration fees	8,100	4,200
Investment revenue	5,853,376	10,268,152
Other operating revenue	236,033	321,763
	<b>6,097,509</b>	<b>10,594,115</b>

Investment revenue represents interest received on cash and cash equivalents.

### 13.1 Other operating revenue

Tender deposits	4,800	21,200
Elections related revenue	7,620	32,725
Electoral Commission revenue	39,578	37,009
SMS services	2,911	70,635
Other operating income	181,124	160,194
	<b>236,033</b>	<b>321,763</b>

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

	31 March 2013 R	31 March 2012 R
<b>14. Employee-related costs</b>		
Wages and salaries	325,401,704	378,333,073
Remuneration allowances	300,124	559,013
Employer contributions	38,249,696	31,766,529
Gratuities	4,904,112	1,681,157
Relocation costs	178,620	217,391
	<b><u>369,034,256</u></b>	<b><u>412,557,163</u></b>
<b>15. Goods and services</b>		
Advertising	3,036,651	2,306,161
Conferences and workshops	22,297,726	42,314,148
Catering expenditure	6,464,948	21,535,843
Communication expenditure	7,872,609	15,117,881
Consumables	30,608	5,681,225
Electoral staff subsistence and travelling	5,870,254	197,693,245
Insurance	1,832,082	1,582,080
Printing and stationery	10,128,667	97,133,575
Professional services	142,319,638	292,582,328
Property expenses: lease rentals	60,242,121	54,530,394
Property expenses: voting stations	(19,635)	9,812,432
Property expenses: other	11,639,459	11,359,584
Rentals: equipment and furniture	254,840	3,507,622
Software expenses	15,561,418	10,561,066
Miscellaneous expenditure	37,984	25,904
Study expenditure	1,159,868	816,328
Subscriptions and membership fees	895,422	1,188,456
Subsistence and travel	7,444,031	22,926,158
Travel expenses	28,495,835	38,123,913
	<b><u>325,564,526</u></b>	<b><u>828,798,343</u></b>
<b>16. Depreciation, amortisation and impairment</b>		
Amortisation	11,556,206	10,718,531
Depreciation	44,818,955	45,716,430
Increase in impairment allowance – Property, plant and equipment	122,449	599,375
Increase in impairment allowance – Non-current assets held for sale	1,016,170	69,004
	<b><u>57,513,780</u></b>	<b><u>57,103,340</u></b>
<b>17. Audit fees</b>		
Auditor-General	<b><u>4,510,098</u></b>	<b><u>4,873,673</u></b>

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

	31 March 2013 R	31 March 2012 R
<b>18. Finance costs</b>		
Foreign exchange differences	4,535	13,721
Interest paid on late payments to suppliers	7,852	6,717
	<b>12,387</b>	<b>20,438</b>
<b>19. Debt impairment</b>		
Write offs	111,387	-
Debt impairment	(6,136)	307,323
	<b>105,251</b>	<b>307,323</b>
<b>20. Repairs and maintenance</b>		
Appliances	7,916	7,470
Computer equipment	2,467,489	2,872,491
Motor vehicles	1,990,949	1,750,575
Buildings	1,951,520	3,239,486
Equipment	3,011,260	1,920,875
Furniture and fittings	5,793	288,270
	<b>9,434,927</b>	<b>10,079,167</b>
<b>21. Surplus/(deficit) on disposal of assets</b>		
Surplus/(deficit) on disposal of property plant and equipment	575,628	(1,407,491)
Surplus/(deficit) on disposal of assets held for sale	-	(91,457)
	<b>575,628</b>	<b>(1,498,948)</b>
Surplus on sale of property, plant and equipment	1,011,589	294,184
Deficit on sale of property, plant and equipment	(435,961)	(1,793,132)
	<b>575,628</b>	<b>(1,498,948)</b>
<b>22. Income taxation</b>		

No provision is made for income taxation, as the Electoral Commission is exempt from taxation in terms of legislation.

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

		31 March 2013 R	31 March 2012 R
<b>23. Cash generated from operations</b>			
Surplus/(deficit) for the year		2,653,912	(460,406,280)
<b>Adjustments for:</b>			
Depreciation and amortisation	5	56,375,161	56,434,961
(Surplus)/deficit on sale of assets	21	(575,628)	1,498,948
Increase in impairment allowance – property, plant and equipment and intangible asset	5	122,146	599,014
Increase in impairment allowance – heritage assets	6	302	361
Increase in Impairment allowance – non-current assets held for sale	8	1,016,170	69,004
(Decrease)/increase in impairment allowance – receivables		-	(125,880)
Movements in operating lease liability and accruals		8,087,514	10,877,041
Movements in provisions		(263,016)	367,936
<b>Changes in working capital:</b>			
Decrease/(increase) in inventories		2,631,040	13,637,227
(Increase)/decrease in trade and other receivables from exchange transactions		(21,690)	1,740,645
(Decrease)/increase in trade and other payables from exchange transactions		21,846,774	(91,307,850)
Increase/(decrease) in foreign and local aid assistance		1,178,215	3,945,874
		<b>93,050,900</b>	<b>(462,668,999)</b>

## 24. Commitments

### Commitments for capital expenditure

Contracted but not provided for - -

### Commitments for operational expenditure

Contracted	38,273,087	25,414,989
Approved but not contracted	297,969,000	5,571,174
<b>Total commitments</b>	<b>336,242,087</b>	<b>30,986,163</b>

Commitments disclosed take into consideration the escalation clauses as per the contractual agreements.

Of R298 million approved but not contracted commitments, R268 million relates to ICT outsourced services for a rolling period of three years.

The operating lease commitments have been disclosed in the operating lease liability note (Note 9.2).

## 25. Contingencies

Legal claims	-	-
Staff	-	360,438
<b>Total commitments</b>	<b>-</b>	<b>360,438</b>

The Electoral Commission has no contingent liabilities.



31 March 2013  
R

31 March 2012  
R

## 26. Financial instrument risk management

### Financial risk management

The Electoral Commission's activities have limited exposure to financial risk, liquidity risk and cash flow risk. Risk management is carried out by the Executive Risk Management Committee under policies approved by the Commission.

The Electoral Commission has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash through proper management of working capital, capital expenditure and cash. Due to the dynamic nature of the underlying operations, the Electoral Commission aims to maintain sufficient funding through a robust Medium-term Expenditure Framework (MTEF) budgeting process.

The following are the contractual maturities of financial liabilities:

	Carrying amounts	Contractual cash flow	1–12 months	2–5 years	Later than 5 years
	R	R	R	R	R
<b>2013</b>					
Trade and other payables	63,197,160	63,197,160	63,197,160	-	-
<b>2012</b>					
Trade and other payables	41,350,382	41,350,382	41,350,382	-	-

### Credit Risk

The Electoral Commission trades only with recognised, credit worthy customers. Receivables are monitored on an on-going basis with the result that exposure to bad debts is not significant. For transactions that do occur out of the country, debts only result from signed agreements.

With respect to credit risk arising from cash and cash equivalents, cash is placed with authorised financial institutions. The carrying amounts of the financial assets represent the maximum credit exposure.

The maximum exposure at the reporting date was:

Trade and other receivables from exchange transactions	17,270,889	17,249,199
Cash and cash equivalents	79,368,444	37,832,924
	<b>96,639,333</b>	<b>55,082,123</b>

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

	31 March 2013 R	31 March 2012 R
The maximum exposure to credit risk for trade receivables at the reporting date by major customer cluster was:		
Cash collateral provided	8,131,431	7,108,031
Accrued interest – major South African banks	72,040	129,943
Sundry receivables – staff and suppliers	1,356,302	2,490,148
Less: Impairment allowance	(339,364)	(345,758)
	<u><b>9,220,409</b></u>	<u><b>9,382,364</b></u>

### Impairment Losses

The ageing of trade receivables net of the allowance for credit losses at the reporting date was:

Not Past due	9,220,409	9,382,364
Past due 0 - 30 days	-	-
Past due 31 - 120 days	-	-
Past due 121 - 365 days	-	-
Past due - more than a year	-	-
	<u><b>9,220,409</b></u>	<u><b>9,382,364</b></u>

The due date of invoices is determined as being 30 days after the invoice date.

An amount of R339,364 has been provided for as doubtful debts and is included in the amounts disclosed above. This provision relates to identified invoices older than 365 days that were not committed for payment.

### Interest rate risk

The Electoral Commission's exposure to the risk of changes in market interest rates relates primarily to cash in current accounts and notice deposits held with banks.

Cash and cash equivalents	<u><b>79,368,444</b></u>	<u><b>37,832,924</b></u>
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### Cash flow

The Electoral Commission manages its cash flow risk by aligning the monthly parliamentary allocation to its estimated monthly activity levels.

Parliamentary allocation	<u><b>762,156,000</b></u>	<u><b>839,788,000</b></u>
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### Fair value

The Electoral Commission considers that the carrying amounts of trade and other receivables, cash and cash equivalents together with trade and other payables approximate to their fair values.

Trade and other receivables from exchange transactions	17,270,889	17,249,199
Cash and cash equivalents	79,368,444	37,832,924
Trade and other payables from exchange transactions	63,197,160	41,350,382

	31 March 2013 R	31 March 2012 R
<b>Foreign exchange risk</b>		
The Electoral Commission does not, in the normal course of business, operate internationally and has limited exposure to foreign exchange risk arising from various currency exposures. Transactions in foreign currency are primarily overseas subsistence and travel allowance.		
<b>Analysis of allowances for credit loss is as follows:</b>		
Written to income statement	129,926	129,926
Increase in provisions	209,438	215,832
<b>Closing Balance</b>	<b>339,364</b>	<b>345,758</b>

## 27. Related parties

### Key Management compensation

<b>Commissioners</b>	<b>6,401,741</b>	<b>7,107,253</b>
Salaries	4,024,589	5,501,185
Short term employee benefits	2,377,152	1,606,068
<b>Executive management salaries</b>	<b>7,764,470</b>	<b>7,584,148</b>
	<b>14,166,211</b>	<b>14,691,401</b>

### Related party transactions

Represented Political Parties Fund	<b>811,874</b>	<b>956,012</b>
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Executive managers are members of the Government Employee's Pension Fund (GEPF) and will receive benefits in terms of the rules of the fund. Commissioners do not qualify for membership of the GEPF.

## 28. Irregular expenditure

Opening balance	49,630,857	238,060,364
Add: Irregular expenditure incurred in the current year	28,228,022	42,607,672
Add: Irregular expenditure incurred in previous years identified in current year	3,024,836	-
Less: Amounts approved by condoning authority	-	(64,796,384)
Less: Amounts deemed by the Accounting Officer not to be recoverable	-	(166,240,795)
	<b>80,883,715</b>	<b>49,630,857</b>

Irregular expenditure relates to non-compliance with Treasury Regulations and the Preferential Procurement Policy Framework Act (PPFA). No action was taken against any official as there was no financial misconduct; it was only a matter of non-compliance.

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

	31 March 2013 R	31 March 2012 R
<b>Irregular expenditure incurred</b>		
<b>Failure to obtain a tax clearance certificate in the current year</b>	<b>463,192</b>	<b>170,286</b>
This amount is expenditure incurred in the current financial year for which no tax clearance certificate was obtained in the current financial year. Steps have been put in place to prevent recurrence.		
<b>Other current year non compliance</b>	<b>191,945</b>	<b>6,426</b>
Expenditure incurred in the current year where procurement processes were non-compliant. There is no loss to the Commission, and procedures have been implemented to prevent recurrence.		
<b>Failure to obtain a tax clearance certificate in prior years</b>	<b>1,499,013</b>	<b>2,905,796</b>
This is expenditure incurred in the current financial year under contracts entered into in prior years, for which no tax clearance certificate was obtained. Procedures have been implemented to prevent recurrence.		
<b>Failure to indicate evaluation criteria on requests for quotations over R30,000.</b>	<b>-</b>	<b>9,404,945</b>
PPPFA Regulation 7 indicates that an organ of state must, in tender documents, stipulate the preference point system which will be applied. A tender was defined in the Preferential Procurement Regulations 2001 as being "a written offer or bid <u>in a prescribed or stipulated form</u> in response to an invitation by an organ of state for the provision of services or goods." Management interpreted these sections as meaning that price quotations - which do not prescribe or stipulate the form of the response - are not tenders as defined in the Regulations and thus did not specify the preference point system that would be applied in respect of price quotations. This interpretation was challenged and clarification was sought from National Treasury who indicated that price quotations of R30,000 and above do need to specify the preference point system applied. Immediate steps were taken to address the issue for future procurement to prevent recurrence. In all of these cases the PPPFA scoring was applied.		
<b>Riverside Office Park - rentals</b>	<b>26,073,872</b>	<b>23,902,201</b>
It became apparent during 2010 that the existing national office accommodation was inadequate and a process was undertaken to identify new accommodation as soon as practical before the upcoming elections. An invitation to prospective landlords for office relocation was placed in five local newspapers. Ten proposals were received. Ultimately a turnkey solution was accepted from the successful bidder. This amount (being the amount expended in the relevant financial year) is disclosed as irregular due to the fact that a technical issue in respect of compliance arose, namely the failure to indicate the manner for evaluating the proposals (90:10) in the advertisement.		
<b>Post event purchase orders</b>	<b>-</b>	<b>6,218,018</b>
This relates to procurement where the purchase order was completed post event. In some cases this is unavoidable, due to the need to make emergency arrangements in case of unforeseen events at, for example, a registration weekend. This is now deemed to be a failure of internal processes and is thus not disclosed as irregular for the 2012/13 financial year.		
<b>Total incurred</b>	<b>28,228,022</b>	<b>42,777,958</b>

# Electoral Commission

## Notes to the annual financial statements for the year ended 31 March 2013

The circumstances surrounding the incurring of irregular expenditure have been investigated and no action will be taken against any employee in respect of this expenditure, as there was no loss to the Electoral Commission. This expenditure was irregular due to technical compliance issues only. Steps have been taken to prevent recurrence.

	31 March 2013 R	31 March 2012 R
<b>Expenditure condoned</b>		
Post-event purchase orders	-	(6,218,018)
Riverside Office Park turnkey costs	-	(58,578,366)
<b>Total condoned</b>	<b>-</b>	<b>(64,796,384)</b>
<b>Expenditure not condoned, not deemed to be recoverable</b>		
Failure to indicate evaluation criteria on requests for quotations over R30,000. The PPPFA was applied in these instances.	-	(153,145,295)
Failure to comply with the requirements of the PPPFA		
2010/11 expenditure	-	(1,267,904)
2009/10 expenditure	-	(11,827,596)
<b>Total not condoned, not deemed to be recoverable</b>	<b>-</b>	<b>(166,240,795)</b>
<b>Expenditure awaiting condonation</b>		
Riverside Office Park – rentals		
2012/13 expenditure	26,073,872	-
2011/12 expenditure	23,902,201	23,902,201
2010/11 expenditure	13,241,203	13,241,203
Failure to obtain a tax clearance certificate	7,984,632	3,076,082
Failure to indicate evaluation criteria on requests for quotations over R30,000.	9,404,945	9,404,945
Other non-compliant procurement	276,862	6,426
<b>Total</b>	<b>80,883,715</b>	<b>49,630,857</b>

## 29. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	<b>7,852</b>	<b>20,445</b>
<b>Made up as follows;</b>		
Opening balance	20,445	13,728
Add: Fruitless and wasteful expenditure in the current year	12,577	6,717
Less: Amounts written off	(20,445)	-
Less: Amounts recovered	(4,725)	-
	<b>7,852</b>	<b>20,445</b>

Amounts are being investigated and will either be written off or transferred to debtors.

### 30. Change in estimate

#### Useful life review – property, plant and equipment

As per the accounting policy, the entity reviews the useful lives of all the asset classes at the end of each reporting period. In management's best estimate, there was a change in estimate of the useful lives of the following asset classes:

	Cost	Accumulated depreciation	Net book value
	R	R	R
<b>Computer equipment</b>			
Before useful life review	141,732,892	(75,874,469)	65,858,423
After useful life review	141,732,892	(69,966,317)	71,766,575
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(5,908,152)</b>	<b>(5,908,152)</b>
<b>Office machines and equipment</b>			
Before useful life review	36,470,635	(17,113,547)	19,357,088
After useful life review	36,470,635	(16,490,849)	19,979,786
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(622,698)</b>	<b>(622,698)</b>
<b>Furniture and fittings</b>			
Before useful life review	56,643,424	(14,123,210)	42,520,214
After useful life review	56,643,424	(14,088,981)	42,554,443
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>34,229</b>	<b>34,229</b>
<b>Appliances</b>			
Before useful life review	4,623,739	(1,677,775)	2,945,964
After useful life review	4,623,739	(1,663,609)	2,960,130
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(14,166)</b>	<b>(14,166)</b>
<b>Radios and cell phones</b>			
Before useful life review	2,530	(1,990)	540
After useful life review	2,530	(1,572)	958
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(418)</b>	<b>(418)</b>
<b>Pre-fabricated buildings</b>			
Before useful life review	2,354,560	(317,180)	2,037,380
After useful life review	2,354,560	(254,371)	2,100,189
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(62,809)</b>	<b>(62,809)</b>
<b>Leasehold Improvement</b>			
Before useful life review	1,695,706	(1,635,777)	59,929
After useful life review	1,695,706	(1,418,319)	277,387
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(217,458)</b>	<b>(217,458)</b>

	Cost	Accumulated depreciation	Net book value
	R	R	R
<b>Motor vehicles</b>			
Before useful life review	48,987,654	(13,716,826)	35,270,828
After useful life review	48,987,654	(12,835,418)	36,152,236
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(881,408)</b>	<b>(881,408)</b>
<b>Total</b>	<b>0.00</b>	<b>-6,579,663</b>	<b>6,579,663</b>
	<b>31 March 2013</b>		<b>31 March 2012</b>
	R		R

### Useful life – review intangibles

	Cost	Accumulated depreciation	Net book value
	R	R	R
<b>Software</b>			
Before useful life review	105,527,144	(41,511,788)	64,015,356
After useful life review	105,527,144	(41,235,684)	64,291,460
<b>Difference due to change in estimate</b>	<b>0.00</b>	<b>(276,104)</b>	<b>(276,104)</b>

## 31. Reconciliation between budget and Statement of Financial Performance

<b>Net (deficit)/surplus as per Statement of Financial Performance</b>	<b>2,653,912</b>	<b>(460,406,280)</b>
<b>Adjusted for:</b>	<b>(591,509)</b>	<b>8,556,517</b>
Under/(over)-collection of income as per budget	(591,509)	8,556,517
<b>Expenses not budgeted</b>	<b>71,653,059</b>	<b>68,281,625</b>
Depreciation	44,818,955	45,716,431
Amortisation	11,556,206	10,718,531
Impairment	1,138,619	668,378
(Surplus)/deficit on sale of assets	(575,628)	1,498,948
Write offs of current assets	(6,137)	-
Interest paid	7,852	6,717
Losses/(gains) on inventory	2,631,040	518,273
Lease equalisation	8,087,514	10,877,041
Increases/(decreases) in provisions	(263,016)	307,323
Leave pay accrual	4,248,394	(2,043,738)
Exchange rate loss	9,260	13,721
<b>Under-spending compared to budget</b>	<b>(48,229,947)</b>	<b>(21,003,962)</b>
<b>Net surplus/(deficit) as per approved budget</b>	<b>25,485,515</b>	<b>(404,572,100)</b>



Detailed Income and Expenditure Statement for the year ended 31 March 2013

PART E

	31 March 2013 R	31 March 2012 R
<b>INCOME</b>	<b>768,253,509</b>	<b>854,832,115</b>
Parliamentary allocation	762,156,000	839,788,000
Political party registration fees	8,100	4,200
Interest received	5,853,376	10,268,152
Sponsorship income	-	4,450,000
Other	236,033	321,763
<b>EXPENDITURE</b>	<b>765,599,597</b>	<b>1,315,238,395</b>
<b>Personnel expenditure</b>	<b>369,034,256</b>	<b>412,557,163</b>
Salaries	325,401,704	378,333,073
- Permanent staff	312,384,381	303,007,682
- Temporary staff	10,858,005	69,945,143
- Voter education fieldworkers	(625,044)	50,580
- Election support	-	41,570,968
- By-elections	207,611	859,320
- Registration	-	(17,567)
- Expansion staff	11,275,438	27,481,842
- MEO agents	2,159,318	5,380,248
Remunerative allowances – permanent staff	300,124	559,013
Gratuities – permanent staff	4,904,112	1,681,157
Employer’s contributions	38,249,696	31,766,529
Relocation cost	178,620	217,391

## Detailed Income and Expenditure Statement for the year ended 31 March 2013

	31 March 2013	31 March 2012
	R	R
<b>Administrative expenditure</b>	<b>325,526,542</b>	<b>828,772,439</b>
Subsistence expenditure	7,063,016	199,789,465
- Registration staff	5,866,235	226,119
- Election staff	-	197,467,126
- Other	1,196,781	2,096,220
Hotel expenditure	6,330,411	5,500,360
Travel expenditure	20,460,728	46,926,083
- Democracy development and voter education	510,678	1,894,571
- Other – Corporate Services	15,647,463	44,157,852
- Logistics and electoral matters	4,302,587	873,660
Air transport	7,955,965	6,527,409
Communication expenditure	7,872,609	20,799,106
Study expenses	1,159,868	816,328
Advertising	3,036,651	2,306,161
Catering/entertainment expenses	6,464,948	21,535,842
- Democracy development and voter education	3,447,221	2,630,702
- Other – Corporate Services	1,798,319	16,386,560
- Logistics and electoral matters	1,219,408	2,518,580
Membership and registration	895,422	1,188,456
Insurance	1,832,082	1,582,080
Conferences and workshops	22,297,726	42,314,148
Democracy development and voter education	10,679,070	8,146,611
Other – Corporate Services	6,794,121	12,273,492
Logistics and electoral matters	4,824,535	21,894,045
Printing and stationery	10,159,275	97,133,575
Software expenses	15,561,418	10,561,066
Rented equipment	254,840	3,555,413
Rental – land and buildings	71,861,945	75,654,619
IEC offices and warehouses	60,297,283	47,938,897
ME offices	11,584,297	17,947,581
Voting stations	(19,635)	9,768,141
Professional and other services	142,319,638	292,582,328
Government institutions	-	1,203
Computer services – WAN	20,885,271	32,670,097
Private institutions	884,068	864,403
Legal costs	1,451,766	2,417,183
Bank charges	844,948	2,937,724
Contracted in	118,253,585	253,691,718

## Detailed Income and Expenditure Statement for the year ended 31 March 2013

	31 March 2013 R	31 March 2012 R
Depreciation and impairment	57,513,780	57,103,340
Audit costs	4,510,098	4,873,673
Finance cost	117,638	327,761
Maintenance and repairs	9,434,927	10,079,167
Miscellaneous expenditure	37,984	25,904
(Surplus)/deficit on disposal/scraping of assets	(575,628)	1,498,948
<b>Surplus/(deficit) for the year</b>	<b><u>2,653,912</u></b>	<b><u>(460,406,280)</u></b>

Detailed Income and Expenditure Statement for the year ended 31 March 2013

Appendix B

Relevant strategic objective	Total expenditure actual	Personnel expenditure	Administrative expenditure	Consumables	Equipment	Land and building rentals	Professional and other services
Internal Audit	10,563,565	1,440,967	38,474	38,898	-	-	9,045,226
Chief Electoral Officer	4,438,303	3,791,745	602,558	44,000	-	-	-
Commission Services	16,245,502	9,470,422	6,423,701	54,600	-	281,478	15,301
<b>Total Chief Electoral Office</b>	<b>31,247,370</b>	<b>14,703,134</b>	<b>7,064,733</b>	<b>137,498</b>	<b>-</b>	<b>281,478</b>	<b>9,060,527</b>
Deputy Chief Electoral Officer	2,475,173	2,421,653	38,945	14,575	-	-	-
Risk and Legal Compliance Officer	-	-	-	-	-	-	-
Legal Services	2,829,981	1,576,875	159,822	6,157	-	-	1,087,127
Budget and Party Funding, Compliance Verification	3,043,578	2,972,609	7,972	62,997	-	-	-
Financial Services	64,246,965	6,200,756	80,714	61,418	56,990,750	-	913,327
Financial Management	7,918,364	1,408,752	554,436	21,306	-	-	5,933,870
Procurement and Asset Management	9,057,538	6,696,118	1,499,813	116,612	-	655,950	89,045
Human Resources	36,848,980	18,336,633	16,170,014	160,551	44,176	-	2,137,606
Human Resources, Skills Development and Training, Support Services	1,693,001	1,610,018	82,551	432	-	-	-
Skills Development and Training	13,649,765	3,764,761	7,936,566	106,212	-	-	1,842,226
Support Services	59,516,280	5,590,515	3,104,503	296,981	172,416	39,242,183	11,109,682
Business Enterprise Systems	62,505,252	5,531,780	1,494,498	172,286	-	-	55,306,688
Information Communication Technology	18,769,077	1,429,260	91,247	799	15,464,608	-	1,783,163
Information Technology Operations Services	55,282,224	2,996,825	256,348	37,143	-	-	51,991,908
<b>Total for Corporate Services</b>	<b>337,836,178</b>	<b>60,536,555</b>	<b>31,477,429</b>	<b>1,057,469</b>	<b>72,671,950</b>	<b>39,898,133</b>	<b>132,194,642</b>
<b>Total for National Office: Administration</b>	<b>369,083,548</b>	<b>75,239,689</b>	<b>38,542,162</b>	<b>1,194,967</b>	<b>72,671,950</b>	<b>40,179,611</b>	<b>141,255,169</b>
Deputy Chief Electoral Operations	1,593,685	1,422,525	141,698	29,462	-	-	-
Delimitation, Voting, Counting, Results and By-elections	8,059,169	3,814,294	1,840,427	870,245	-	251,590	1,282,613
Electoral Matters	1,860,141	1,769,867	87,782	2,492	-	-	-
Candidate Nomination, Party Liaison, Voters' Roll and Registration	11,358,375	7,513,672	2,943,467	826,792	-	-	74,444
Infrastructure, Courier Services	26,894,686	3,866,173	8,938,733	1,373,287	-	11,298,798	1,417,695
Logistics and Infrastructure	1,750,887	1,702,469	47,177	1,241	-	-	-
Logistics	20,650,699	4,348,088	3,373,699	2,496,202	16,768	7,488,309	2,927,633
<b>Total for Electoral Operations</b>	<b>72,167,642</b>	<b>24,437,088</b>	<b>17,372,983</b>	<b>5,599,721</b>	<b>16,768</b>	<b>19,038,697</b>	<b>5,702,385</b>

## Detailed Income and Expenditure Statement for the year ended 31 March 2013

Relevant strategic objective	Total expenditure actual	Personnel expenditure	Administrative expenditure	Consumables	Equipment	Land and building rentals	Professional and other services
Civic and Electoral Democracy Education	18,152,171	1,631,739	13,325,470	793,418	-	-	2,401,544
Civic Education, Research and Knowledge Management	1,500,925	1,445,095	55,312	518	-	-	-
Research, Library, Knowledge Management	9,057,965	3,595,232	2,656,684	1,011,968	-	-	1,794,081
Communication	7,145,919	3,282,785	1,052,506	607,370	-	-	2,203,258
Deputy Chief Electoral Outreach	-	-	-	-	-	-	-
<b>Total for Outreach</b>	<b>35,856,980</b>	<b>9,954,851</b>	<b>17,089,972</b>	<b>2,413,274</b>	<b>-</b>	<b>-</b>	<b>6,398,883</b>
<b>Total for national office: operations</b>	<b>108,024,622</b>	<b>34,391,939</b>	<b>34,462,955</b>	<b>8,012,995</b>	<b>16,768</b>	<b>19,038,697</b>	<b>12,101,268</b>
<b>Total for National Office</b>	<b>477,108,170</b>	<b>109,631,628</b>	<b>73,005,117</b>	<b>9,207,962</b>	<b>72,688,718</b>	<b>59,218,308</b>	<b>153,356,437</b>
Eastern Cape	49,858,604	46,406,932	1,709,341	102,799	-	1,197,646	441,886
Free State	25,059,850	22,116,139	1,137,012	86,511	-	1,592,644	127,544
Gauteng	28,616,645	25,701,915	772,544	115,237	22,140	1,659,852	344,957
KwaZulu-Natal	51,765,263	48,113,708	2,312,223	124,387	-	760,471	454,474
Mpumalanga	24,454,542	21,605,745	962,201	66,510	22,669	1,414,452	382,965
Northern Cape	25,442,558	21,950,216	1,594,547	102,130	41,449	1,470,844	283,372
Limpopo	32,229,270	28,474,352	1,552,790	112,478	-	1,827,428	262,222
North West	25,299,442	22,692,552	1,141,103	124,757	37,763	972,522	330,745
Western Cape	25,765,253	22,341,069	1,333,635	116,539	-	1,747,778	226,232
<b>Total for regional offices</b>	<b>288,491,427</b>	<b>259,402,628</b>	<b>12,515,396</b>	<b>951,348</b>	<b>124,021</b>	<b>12,643,637</b>	<b>2,854,397</b>
<b>Departmental expenditure</b>	<b>765,599,597</b>	<b>369,034,256</b>	<b>85,520,513</b>	<b>10,159,310</b>	<b>72,812,739</b>	<b>71,861,945</b>	<b>156,210,834</b>

Total income R 768,253,509

Surplus for the year R 2,653,912

Unutilised surplus at 31 March 2012 R 345,515,543

Unutilised surplus at 31 March 2013 R 348,169,455

# Contact Details

## National Office

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Twitter: [@IECSouthAfrica](https://twitter.com/IECSouthAfrica)

## Provincial offices

Province	City/town	Telephone	Fax	Physical address
Eastern Cape	East London	043 709 4200	043 722 5331	The Mansions, 14 Ganteaume Crescent, Quigney, East London
Free State	Bloemfontein	051 401 5000	051 430 7585	NRE Building, 161 Zastron Street, Westdene, Bloemfontein
Gauteng	Johannesburg	011 644 7400	011 644 7448	1st Floor, A-Block, Empire Park, 55 Empire Road, Parktown, Johannesburg
KwaZulu-Natal	Durban	031 279 2200	031 279 2226	Westville Civic Centre, Main Building, William Lester Drive, Westville
Limpopo	Polokwane	015 283 9100	015 297 2506	5 Dimitri Crescent, Platinum Park, Bendor, Polokwane
Mpumalanga	Nelspruit	013 754 0200	013 753 2564	Nelpex Building, 13 Van Rensburg Street, Nelspruit
North West	Mafikeng	018 391 0800	018 391 0851	Protea Office Park, 103 Sekame Street, Mmabatho, Mafikeng
Northern Cape	Kimberley	053 838 5000	053 831 8095	Block 4, Mornridge Office Park, cnr. Kekewich & Memorial Roads, Monument Heights, Kimberley
Western Cape	Cape Town	021 910 5700	021 910 4965	The Bridge, 1 <sup>st</sup> Floor, Unit 4, 304 Durban Road, Bellville, Cape Town





## National Office

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