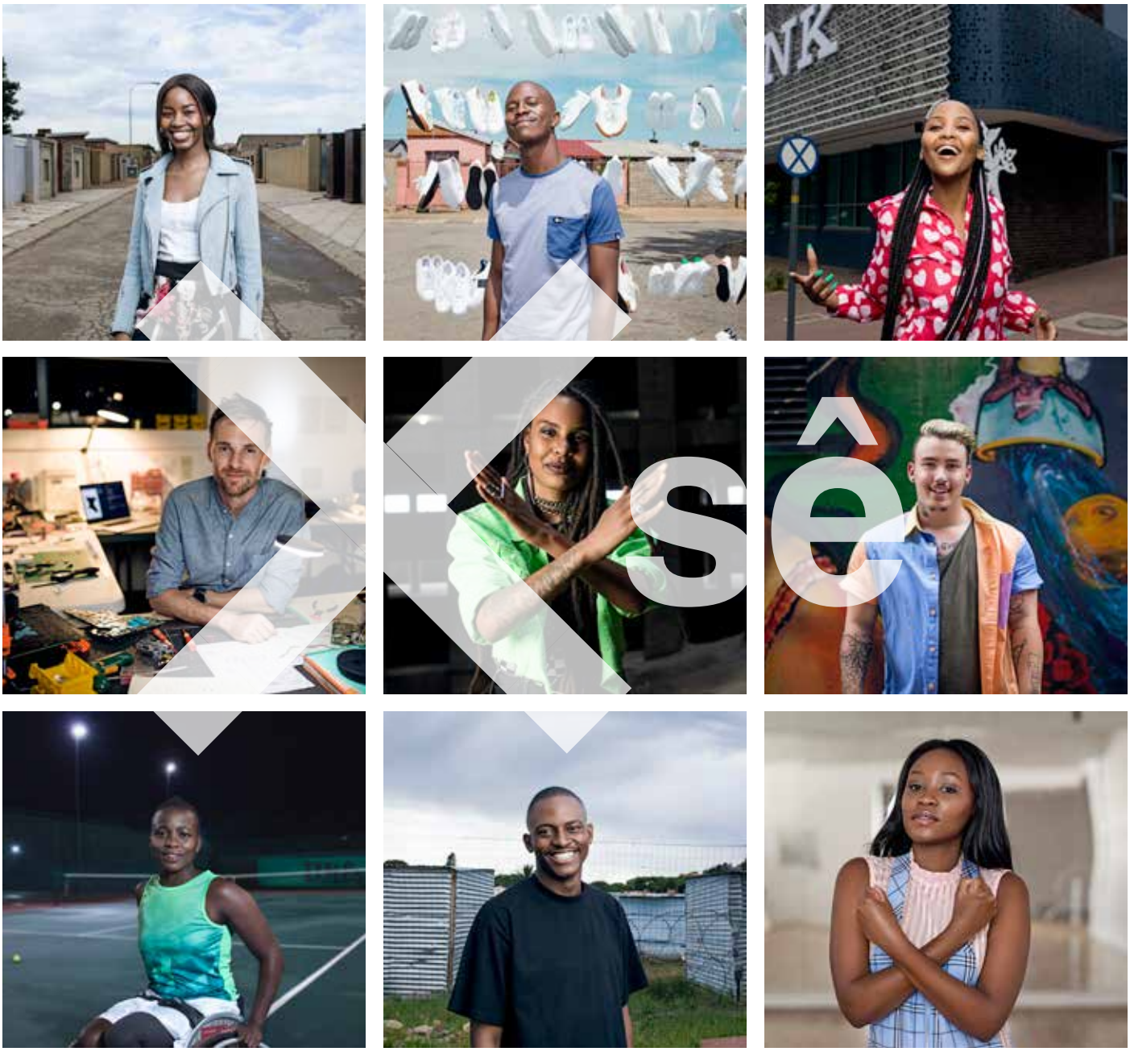
SOUTH AFRICA

ELECTORAL COMMISSION

2019
ANNUAL REPORT



YOUR X IS YOUR SAY

ELECTORAL COMMISSION

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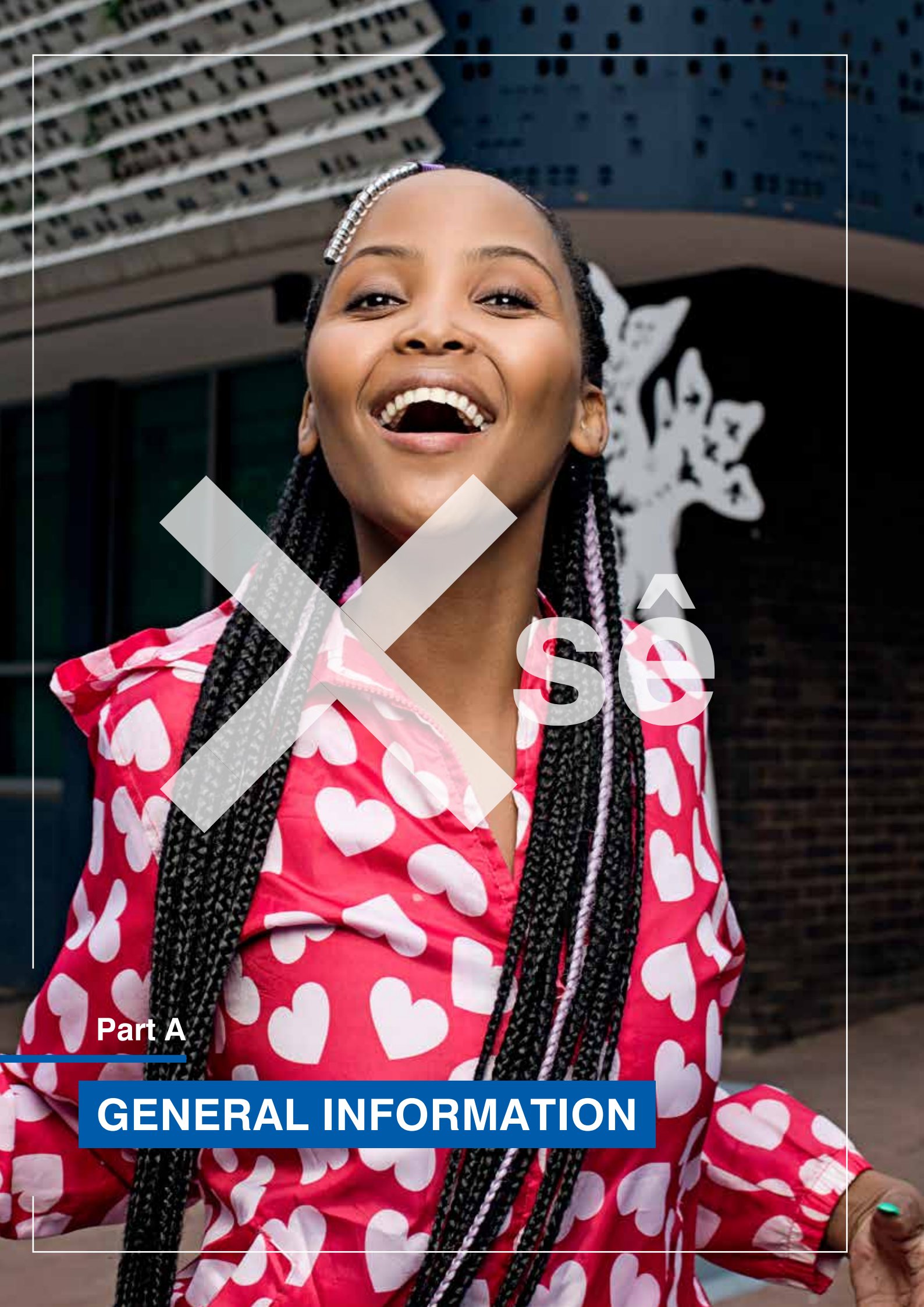


Part A

GENERAL INFORMATION

1. Abbreviations and acronyms

AGSA	Auditor-General South Africa
API	Application Programming Interface
APP	Annual Performance Plan
ASB	Accounting Standards Board
BAC	Bid Adjudication Committee
B-BBEE	Broad-based Black Economic Empowerment
BEE	Black Economic Empowerment
BOM	Bill of Materials
BPG	Ballot Paper Generation
CAE	Chief Audit Executive
CCMA	Commission for Conciliation, Mediation and Arbitration
CDE	Civic and Democracy Education
CEO	Chief Electoral Officer
CFO	Chief Financial Officer
CGU	Cash-generating Unit
CSD	Central Supplier Database
CSO	Civil Society Organisation
DCEO	Deputy Chief Electoral Officer
DRP	Disaster Recovery Plan
DIRCO	Department of International Relations and Cooperation
Electoral Commission	The Electoral Commission established in section 3(1) of the Electoral Commission Act, Act No 51 of 1996, i.e. the organisation
EE	Employment Equity
EPC	Electoral Project Coordinator
ERMC	Executive Risk Management Committee
EXCO	Executive Committee
GEPF	Government Employees' Pension Fund
GRAP	Generally Recognised Accounting Practice
GRC	Governance, Risk and Compliance
HR	Human Resources
HSRC	Human Sciences Research Council
IARS	Institute for African Renaissance Studies
IIA	Institute of Internal Auditors
ICT	Information and Communication Technology
IT	Information Technology

LAN	Local Area Network
LGE	Local Government Elections
LIS	Logistics Information System
MDEA	Management of Democratic Elections in Africa
MEO	Municipal Electoral Officer
MRP	Materials Requirement Plan
MTEF	Medium-term Expenditure Framework
NCOP	National Council of Provinces
NEHAWU	National Education, Health and Allied Workers' Union
NICRO	National Institute for Crime Prevention and the Re-integration of Offenders
NPE	National and Provincial Elections
NPLC	National Political Liaison Committee
OMS	Outreach Management System
PBSU	Programmable Barcode Scanning Unit
PEO	Provincial Electoral Officer
PFMA	Public Finance Management Act
PLC	Party Liaison Committee
PPE	Property, Plant and Equipment
PPPFA	Preferential Procurement Policy Framework Act
PR	Proportional representation
RAMS	Radio Audience Measurement Statistics
ROC	Results Operations Centre
SAN	Storage area network
SANCB	South African National Council for the Blind
SCM	Supply Chain Management
SMME	Small, medium and micro enterprises
SMS	Short Message Service
SOP	Standard Operating Procedure
TAMS	Television Audience Measurement Statistics
UBT	Universal Ballot Template
Unisa	University of South Africa
UPS	Uninterrupted Power Supply
VAT	Value-added tax
VRD	Voter Registration Device
WAN	Wide Area Network
WIP	Work in Progress

2. Foreword by the Chairperson

It is an honour, on behalf of the Electoral Commission, to present the Annual Report for the 2018/19 financial year, which ended just weeks before the 25th anniversary of South Africa's first democratic elections.

For all South Africans, the annual commemoration of the 1994 elections on Freedom Day is one of remembering and celebrating our past achievements and looking forward to continuing to build on these for the future.

The scheduling of our sixth national and provincial elections, just 11 days after this milestone, meant that this day and year were even more poignant and pressurised for us as the Electoral Commission – especially noting the unbreakable link between the peace, prosperity and future of our country and the success of each successive election.

Chairperson: Glen Mashinini

Looking back over the past 25 years, the Electoral Commission is extremely proud of the impeccable record it has had in delivering five national, provincial and local government elections, as well as hundreds of by-elections in line with our Constitution and electoral laws.

These elections have upheld the highest standards of best international electoral practice in full conformity with the norms and standards set by the United Nations, African Union, Southern African Development Community and other world bodies.

That record, the critical role of free and fair elections in our constitutional democracy and the ongoing success of our nation are the driving forces that underpin the work of the Electoral Commission and are the reason why the predominant focus during the year under review was the preparations to manage and deliver South Africa's sixth democratic national and provincial elections.

These preparations covered the full expanse of readiness within the institution to ensure that the legislative, human capacity, technology infrastructure and logistics were in place to ensure free, fair and successful elections. The Commission applauds the work of the Chief Electoral Officer, Sy Mamabolo, and his executive and management team, along with all members of staff.

Elections also require collaboration and partnership with many stakeholders who play an integral part in free and fair elections, and stakeholder relations forms a vital and primary function for the Commission itself. In preparation for the 2019 elections, the Commission embarked on a range of engagements with stakeholders in Parliament and the provincial legislatures, government and the executive, political parties, civil society, traditional leaders, business, labour, media and many others.

These ongoing engagements helped to lay a solid foundation for the inclusion and participation of all key roleplayers in ultimately ensuring the success of the elections by, among others, providing information and education on preparations and the role of all stakeholders, as well as in establishing and retaining open channels of communication.

The Commission would like to express its heartfelt appreciation to all stakeholders for their guidance and assistance in its endeavours to meet its constitutional obligations.

Among those stakeholders who deserve special mention include the leaders of all represented political parties, the Chairperson and members of the Portfolio Committee on Home Affairs, the Chairperson and members of the National Council of Provinces (NCOP) select committee on Home Affairs, the ministers and departments of Home Affairs, Cooperative Governance and Traditional Affairs, International Relations and Cooperation, Basic Education, and Higher Education and Training, as well as the South African Police Service and all security agencies.

The period under review saw a significant change in the composition of the Commission following the end of the terms of office of Judge Thami Makhanya (Commissioner) in May 2018, and of Mr Terry Tselane (Vice-Chairperson) and Rev Bongani Finca (Commissioner) in November 2018.

Between them, these Commissioners served the Electoral Commission with diligence and distinction for more than 40 years and left the institution enriched and strengthened by their service, wisdom and experience. On behalf of the Commission, we extend our deepest gratitude and appreciation and wish them well in the future.

In November 2018, the Commission welcomed Dr Nomsa Masuku, Mr Mosotho Moepya and Judge Dhaya Pillay as replacements, along with the designation of Commissioner Janet Love as Vice-Chairperson. The new appointments – two of whom had extensive experience in managing South African and international elections through their careers within the Electoral Commission, and the third with a wealth of experience and knowledge in the law – meant that the Commission was at full strength and capacity in preparing for and delivering the National and Provincial Elections 2019 (NPE 2019).

The Electoral Commission continues to play a significant role in contributing to democracy on the continent and elsewhere in the world. During the period under review, the Commission participated in various observer missions to countries such as Kenya and Zimbabwe, and hosted a number of delegations that visited South Africa on fact-finding and study tour missions, including from Egypt, Lesotho, Malawi, Palestine and Zimbabwe.

Finally, the Commission pays tribute to all those South African citizens who continue to participate in our electoral democracy as voters, candidates, observers, party agents and volunteer election officials.

Without your continued passionate involvement and support for electoral democracy, South Africa would not be celebrating the gains it has made in the past 25 years and the achievements yet to come in the next 25 years.

Chairperson
Glen Mashinini
31 July 2019

3. Chief Electoral Officer's overview

Chief Electoral Officer: Phatudi Simon Mamabolo

Introduction

Presented for tabling to the National Assembly, this report sets out a record of the activities and operations undertaken by the Electoral Commission during the period 1 April 2018 to 31 March 2019. It includes the audited annual financial statements.

As always in a pre-election year, the 2018/19 financial year was dominated by preparations and planning for South Africa's sixth national and provincial elections, scheduled for 8 May 2019.

Among the key preparatory initiatives undertaken by the Electoral Commission during the year under review were the continued updating and rectification of the voters' roll, both to meet the ongoing requirements of the 2016 Constitutional Court's ruling with regard to the acquisition of addresses for voters on the voters' roll in line with section 16(3) of the Electoral Act, as well as to ensure enhanced participation ahead of NPE 2019.

The voter registration and address update initiatives during the year culminated in a countrywide registration weekend on 9 and 10 March 2019, during which all voting stations were open from 08:00 to 17:00 to allow voters to register, re-register, and check and update their registration details.

Over 700 000 new voters registered during the final registration weekend, bringing the total number of registered voters on the voters' roll to 26 727 921. Of the 703 794 new registrations, over 81% (574 899) are under 30 years old. Combined with new registrations during the March 2018 registration weekend, the voters' roll saw 1 194 314 new voters added ahead of NPE 2019. In addition to new registrations, 1 078 416 voters used the weekend to register in a new voting district, and 690 310 voters confirmed their registration in the same voting district. Over 50 000 voters also used the online "Click, Check and Confirm" facility to update their address details over the weekend, and over 265 000 had used the online facility since its introduction in October 2017.

The Electoral Commission is pleased with the overall registration level, which remains high by international standards for countries with a voluntary registration system. However, it remains concerned that approximately nine million eligible voters are still not registered, of which approximately six million are under 30 years of age.

While preparations for NPE 2019 took centre stage during the year, the ongoing work of the Electoral Commission in conducting municipal by-elections continued unabated with 100 by-elections conducted during the year under

review. This is a decrease compared with the previous period of 2017/18 when 131 by-elections were conducted, which included the dissolution during 2017/18 of two local councils. No dissolved municipal council by-elections were held in 2018/19.

Cumulatively, the pressures of continuing by-elections, address harvesting and voter registration for NPE 2019 had a significant impact on both the financial and human resources of the organisation during the year under review.

Fortunately, additional funding for address harvesting activities, savings from operations and funds diverted from the postponement of the introduction of a new voter registration device provided sufficient funding to meet the needs of the organisation during the financial year.

Legislative amendments

Other significant preparatory work for NPE 2019 included the drafting of legislative amendments to enhance the electoral process. Among the key legislative amendments passed are the Electoral Laws Amendment Act (Act 1 of 2019) and its associated regulations, which entered into effect from 6 March 2019.

In addition to the legislative amendments, Parliament gave the Electoral Commission a new legislative mandate through the enactment of the Political Party Funding Act. This Act provides for and regulates the public and private funding of political parties. It was scheduled to come into effect in a phased approach from 1 April 2019.

In late March 2019, the Electoral Commission decided to postpone the commencement of the first parts of the Political Party Funding Act to allow more time for the finalisation of the regulations and other key preparations.

The provisions of the current Public Funding of Represented Political Parties Act, Act 103 of 1997, remain valid until such time as the new Political Party Funding Act is promulgated.

The implementation of the Political Party Funding Act and the establishment of capacity within the Electoral Commission to oversee its implementation and compliance is set to be a significant area of work in the coming financial year and in the medium term. National Treasury has provided funding of R50 million over the following two financial years for this purpose.

General performance review of the Electoral Commission

This report seeks to provide an overview of the Electoral Commission's key performance achievements against its strategic objectives. Of the 25 performance targets set for the year under review, 19 (or 76%) were achieved. This is in line with performance in the prior financial year. A high-level summary of achievements is set out in Section 2.4 of this Annual Report. The details of the achievements and under-achievements are reflected under each relevant programme elsewhere in this report. The number of targets not achieved can mainly be attributed to election preparations-related pressures, factors beyond the control of the Electoral Commission and budget constraints experienced during the period under review.

General financial review of the Electoral Commission

The Electoral Commission received R1.9 billion for the year under review by way of a Parliamentary Grant. Sundry income, consisting largely of interest earned to the amount of R44.6 million, brought the Electoral Commission's total income to R2 billion for the year under review. Expenditure reflected in the annual financial statements – on the accrual basis – was R1.55 billion, giving an accounting surplus of R455.8 million.

Initially, two main registration activities were planned for the 2018/19 financial year, but the Electoral Commission had to reprioritise its spending needs to provide for various address harvesting initiatives, including the procurement of voter registration devices to address the deficiencies in the current voters' roll, as outlined above. This resulted in tremendous funding pressures, which – despite the reprioritisations made – led to the Electoral Commission having to cancel the tender for the envisaged voter registration devices. Notwithstanding these funding difficulties, the Electoral Commission succeeded in maintaining its spending within budget.

The liquidity ratio improved in the current year due to an increase in the cash position, resulting from prudent expenditure control measures that were implemented to provide for the planned capital expenditure in 2018/19 and 2019/20 in relation to the voter registration devices, as well as the Information and Communication Technology (ICT) Refresh Programme.

Spending trends

Expenditure is mainly influenced by the election cycle, peaking during preparations for an election and decreasing again to fund regular activities in non-election cycles. The figure below sets out the expenditure trends since 1999. In this regard, it is important to note the influence of the higher number of voting stations as a result of the increase in the number of registered voters on expenditure trends.

In addition, the year under review reflected the impact of the costs incurred in relation to improving the quality of the national voters' roll in line with the recent court judgments by the Electoral Court and the Constitutional Court, as well as the registration weekend in preparation for NPE 2019 that was held on 26 and 27 January 2019.

The Electoral Commission has a full-time establishment of 1 033 permanent members of staff. As at 31 March 2019, 926 posts were filled. For the January 2019 registration weekend, staff capacity was expanded with the employment of fixed-term staff, including 354 assistant project coordinators and 4 392 area managers. In addition, some 67 289 temporary staff members were employed in various capacities to assist at voting stations.

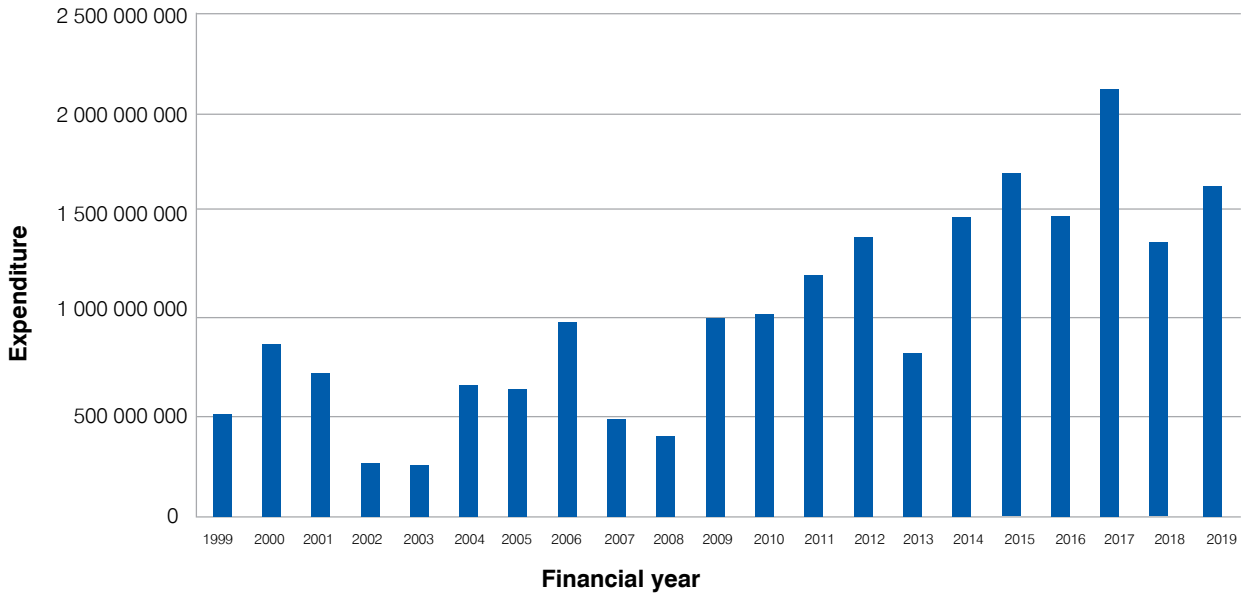


Figure 1: *Expenditure pattern of the Electoral Commission since 1999*

The employment of temporary staff members in these numbers presents challenges. One of the Electoral Commission's key areas of focus is to continuously identify and address training needs, particularly for staff members at voting stations who have statutory responsibilities, and who are the public face of the organisation during election and registration periods.

Supply chain management

I am satisfied that the Electoral Commission has sound supply chain management practices, supported by a procurement policy, standard operating procedures and a fully functional Compliance Unit. In 2018/19, irregular expenditure of R131 869 723 was incurred. Of this, R101 170 917 is current-year expenditure in relation to the Bid Adjudication Committee, which was not constituted in compliance with the Electoral Commission's terms of reference. No financial misconduct occurred and services were duly received by the Commission. National Treasury has condoned the amount in the current year.

Fruitless and wasteful expenditure amounting to R35 015 was reported in the current financial year and is reflected in Note 29 of the annual financial statements. Due to stricter controls being implemented in the year under review, fruitless and wasteful expenditure has been reduced from R1 292 454 incurred in the 2017/18 financial year to R35 015 incurred in the current year.
During the year under review, the Bid Adjudication Committee met 38 times. A total of 184 auctions were run on eProcurement and 58 tenders were awarded.
No unsolicited bids were accepted.

No significant gifts were received in the financial year.

Audit report matters in the previous year and how these were addressed

The Electoral Commission received an unqualified audit in the 2018/19 financial year with a compliance finding on procurement. The focus for 2018/19 has been on improving procurement and performance related

findings identified in the prior year. Overall, this was achieved by focusing on risk areas identified in the prior year and improving internal controls in these areas. Specifically this was achieved by improving the performance reporting of Electoral Operations and procurement processes based on a detailed action plan. Audit findings identified and reported by the Auditor-General South Africa (AGSA), including those reported in its audit report, are tracked to ensure that the necessary process enhancements are effected.

The challenge in the current year, in which electoral activities peaked during the latter part of the year, was to ensure that procurement processes were compliant in all aspects and that adequate supporting documentation was available for audit purposes to reflect this.

Events after the reporting date

I am not aware of any matters or circumstances arising subsequent to the end of the financial year that may materially affect the financial statements or the Annual Report.

Other matters that need to be communicated to users of the financial statements

Matters relevant to users' understanding of the financial statements have been included in the Accounting Officer's report on the financial statements.

Acknowledgements

A special note of appreciation goes to the Chairperson of the Commission and members of the Commission for their strategic leadership, as well as the staff of the Electoral Commission who worked tirelessly in the service of the organisation, understanding the importance of its mandate, so that the Electoral Commission can once again present a report of which it is proud.

Phatudi Simon Mamabolo
Chief Electoral Officer
Electoral Commission
31 July 2019

4. Statement of responsibility and confirmation of accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in this annual report are consistent with the annual financial statements audited by the AGSA.
- The Annual Report is complete, accurate and free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on annual reports as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the effective standards of Generally Recognised Accounting Practice (GRAP) applicable to the Electoral Commission.

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

The Accounting Officer is responsible for establishing and implementing a system of internal control that is designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors (AGSA) are engaged to express an independent opinion on the annual financial statements.

In our opinion, the Annual Report fairly reflects the operations, performance information, human resources information and financial affairs of the Electoral Commission for the financial year ended 31 March 2019.

Yours faithfully

Chief Electoral Officer
Phatudi Simon Mamabolo
31 July 2019

Chairperson
Glen Mashinini
31 July 2019

5. Strategic overview

5.1 Vision

To be a pre-eminent leader in electoral democracy.

5.2 Mission

The Electoral Commission is an independent constitutional body, which manages free and fair elections of legislative bodies and institutions through the participation of citizens, political parties and civil society in deepening electoral democracy.

5.3 Values

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

a) impartiality;
b) integrity;
c) accountability;
d) transparency;
e) participation;
f) responsiveness; and
g) respect.

5.4 Strategic outcome-orientated goals

The strategic outcome-oriented goals of the Electoral Commission are as follows:

a) Strengthening governance, institutional excellence, professionalism and enabling business processes at all levels of the organisation
b) Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a cooperative relationship with political parties
c) Strengthening electoral democracy

6. Legislative and other mandates

The Electoral Commission is a constitutional institution that falls under Schedule 1 of the Public Finance Management Act (PFMA) (Act No. 1 of 1999).

6.1 Constitutional mandate

In terms of Section 190 of the Constitution of the Republic of South Africa (Act 108 of 1996), the Electoral Commission must do the following:

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

6.2 Legislative mandates

The duties and functions of the Electoral Commission are defined in Section 5 of the Electoral Commission Act (Act 51 of 1996).

These are the following:

- Manage any election.
- Ensure that any election is free and fair.
- Promote conditions that are conducive to free and fair elections.
- Promote knowledge of sound and democratic electoral processes.
- Compile and maintain a voters' roll by means of a system of registering eligible voters by utilising data that is available from government sources and information furnished by voters.
- Compile and maintain a register of parties.
- Establish and maintain liaison and cooperation with parties.
- Undertake and promote research into electoral matters.
- Develop and promote the development of electoral expertise and technology in all spheres of government.
- Continuously review electoral legislation and proposed electoral legislation, and make recommendations in connection therewith.

- Promote voter education.
- Promote cooperation with and between persons, institutions, governments and administrations for the achievement of its objects.
- Declare the results of elections for national, provincial and municipal legislative bodies within seven days after such elections.
- Adjudicate disputes that may arise from the organisation, administration or conducting of elections and which are of an administrative nature.
- 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 national and provincial elections are also defined in the Electoral Act (Act 73 of 1998). This Act includes, among other things, the requirements for registration as a voter. 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 24 of 2000) deals with the specific nature of Local Government Elections (LGE). It provides for the administration of parties and candidates and all 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 most notable amendment of the Act has been the recent addition of special votes for persons who require home visits owing to infirmity or disability or who are not able to visit their voting stations on Election Day.

The Municipal Structures Act (Act 117 of 1998) deals with the establishment, management and functions of the various municipalities, as well as seat calculation formulae (the conversion of votes into seats). This legislation is required to conclude the results process in respect of local government elections.

6.3 Policy mandates

The Electoral Commission undertakes its work within the Republic of South Africa independently, but the government of South Africa often requests the Commission to assist it with the implementation of foreign policy by providing electoral assistance to other countries. When this happens, funding and permission is sought and obtained from the government of South Africa.

7. Organisational structure

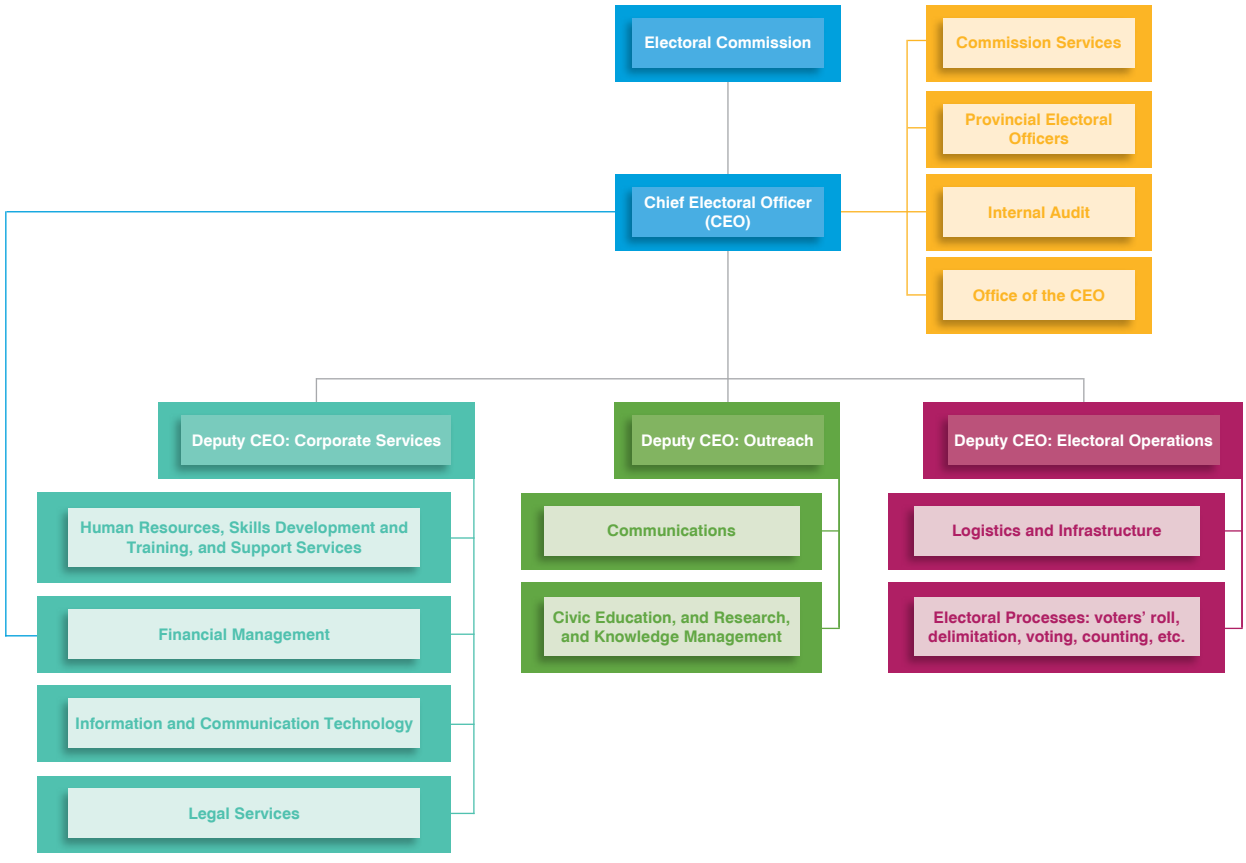


Figure 2: *Organisational structure of the Electoral Commission*

Part B

PERFORMANCE INFORMATION

1. Auditor-General's report: Predetermined objectives

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit assessment. The audit assessment of the performance against predetermined objectives is included in the report to management, with material findings being reported under the heading "Predetermined objectives" in the "Report on other legal and regulatory requirements" section of the AGSA's report.

Refer to pages 82–84 of the AGSA's report, published in Part E: Annual Financial Statements.

2. Situational analysis

2.1 Social, political and economic environment

The social, political and economic environment in South Africa continues to evolve and change with consequential impacts on state, public, private and constitutional institutions.

The period under review continued to reflect a highly constrained economic environment with low growth and reductions in national revenue leading to continued fiscal constraints and austerity within the public sector.

At the same time, the recent growth in political contestation and multi-partyism reached a climax ahead of NPE 2019 with a record 69 parties registering at both national and local level during the period under review.

This burgeoning of political parties was also reflected in a record number of 78 unique political parties meeting the requirements to contest NPE 2019, with 48 parties contesting the national ballot (compared to 29 in 2014).

The political environment also affected the operations and continuity of local councils with a number of councillor dismissals leading to the need for by-elections to be conducted. During the year under review, 100 by-elections were conducted.

More than ever, the Party Liaison committees continued to provide a critical engagement and consultation forum with represented political parties at national, provincial and municipal level for the Electoral Commission, especially for preparations for NPE 2019 when representation on the committees was expanded to include contesting parties.

Between the preparations for NPE 2019, an average of two by-elections were conducted each week, and the ongoing imperative to meet the ruling of the Constitutional Court with regard to the rectification of the voters' roll in respect of voters' addresses combined to significantly increase the Electoral Commission's workload.

In addition, the Electoral Commission was preparing for the implementation of the Political Party Funding Act (Act 1 of 2019), which it had hoped to begin in a staggered approach from 1 April 2019.

A considerable amount of work was done in anticipation of this, which included the drafting and publication of regulations for public comment on 1 March 2019, the initial development of an online reporting system and the start of the recruitment process for a new head of the Party Funding Unit.

Socially, the country continued to experience some of the highest incidents of civil unrest and community protest action leading up to NPE 2019. While such protests were generally aimed at highlighting grievances related to local service delivery, the protests had a significant impact on the Electoral Commission and its operations in a number of indirect and direct ways.

In terms of direct impact, some communities targeted the Electoral Commission's voter registration and by-election activities to draw attention to their grievances and demands. This was especially evident during the voter registration weekend in January 2019 and during political activities shortly ahead of the May 2019 elections. The Commission also experienced isolated cases of election staff being threatened by communities when they reported for work.

Other areas of less direct impact on the Electoral Commission included the focusing of protest actions around municipal offices where the Commission's local offices are frequently accommodated, and the destruction of local facilities that the Electoral Commission uses as voting stations (including schools and community halls) during protest actions,.

2.2 Organisational environment

The Commission comprises five members appointed by the President, one of whom shall be a judge. The Chairperson and Vice-Chairperson of the Commission are designated by the President from among members of the Commission.

The period under review saw significant changes in the Commission following the end of the terms of office of Judge Thami Makhanya (Commissioner) in May 2018, and of Mr Terry Tselane (Vice-Chairperson) and Rev Bongani Finca (Commissioner) in November 2018.

Following the completion of the public interview and recommendation process chaired by Chief Justice Mogoeng Mogoeng and the approval of a list of eight recommended candidates by the National Assembly, the President appointed Dr Nomsa Masuku, Mr Mosotho Moepya and Judge Dhaya Pillay as new Commissioners. Commissioner Janet Love was designated Vice-Chairperson.

The Electoral Commission's organogram provides for 1 033 positions. The staffing establishment provides for three Deputy CEOs (DCEOs): one each for Corporate Services, Electoral Operations and Outreach respectively. There is one Provincial Electoral Officer (PEO) for each provincial office of the Electoral Commission. The staff turnaround remained stable with most key personnel retained.

The appointment of Dr Masuku as Commissioner in November 2018 led to a vacancy in the position of DCEO: Outreach during a critical period of developing and implementing a communication and education strategy for registration for NPE 2019. The PEO for KwaZulu-Natal, Mr Mawethu Mosery, was appointed in an acting capacity to fill this vacancy. Other key vacancies during the period under review included those of PEO for Gauteng (a position vacated by the promotion of Mr Masego Sheburi to the position of DCEO: Electoral Operations in September 2018) and Senior Manager: Logistics (a position that was filled in an acting capacity by Mr Rama Munisamy).

Having spent a considerable part of the financial year without a permanent Chief Financial Officer (CFO), the Electoral Commission was relieved to finally appoint Mr Lwazi Kuse as permanent CFO in November 2019. Unfortunately, Mr Kuse resigned at the end of February 2019 to take up another offer, leaving the organisation once again without a permanent CFO during the vital financial year-end and preparation period for NPE 2019.

It is testimony to the talent and experience within the organisation that the Electoral Commission was able to meet its performance, financial and organisational requirements despite these critical vacancies.

Following an extensive and inclusive organisational review, in September 2019, the Commission approved the high-level organogram and finalised a list of posts critical to the delivery of the elections to be filled urgently.

In the interests of stability and meeting its mandate to deliver NPE 2019, it was agreed with all stakeholders to defer all other matters pertaining to the organisational review to after NPE 2019.

The Electoral Commission has entered into a recognition and procedural agreement with the National Education, Health and Allied Workers' Union (NEHAWU), in which it was agreed that the terms and conditions for staff at the Electoral Commission would, in terms of Section 12(5) of the Electoral Commission Act, as amended, be negotiated independently of the Public Sector Coordinating Bargaining Council. This agreement remained in place for the 2018/19 financial year.

2.3 Key policy developments and legislative changes

Since the publication of the previous annual report, there have been developments in relation to the Electoral Commission's legislative and other mandates, which should be noted. These developments are discussed below.

Preparatory work for NPE 2019 included the drafting of legislative amendments to enhance the electoral process. Among the key legislative amendments passed are the Electoral Laws Amendment Act (Act 1 of 2019) and its associated regulations, which entered into effect from 6 March 2019 and included the following:

Election regulations:

- Providing additional electronic and digital channels (SMS) for applications for special votes
- Streamlining the special vote process for voting abroad
- Removing the requirement to affix a receipt of registration to a voter's identity document (because this is not possible with smartcard identity documents)
- Providing for a different voting procedure for voters whose addresses are not recorded on the voters' roll
- Reducing the number of additional ballot papers a voter may request (from four to two) in cases of errors

Voter registration regulations:

- Providing for persons to apply for registration and update their address details electronically

Regulations concerning the submission of a list of candidates:

- Providing for additional electronic channels for parties to submit their nomination documents and pay their election deposits

Political Party Funding Act

In addition to the legislative amendments, a new legislative mandate was given to the Electoral Commission by Parliament through the enactment of the Political Party Funding Act, which had been scheduled to come into effect in a phased approach from 1 April 2019.

The Political Party Funding Act provides for and regulates the public and private funding of political parties, in particular:

- to establish and manage the Represented Political Parties' Fund and the Multiparty Democracy Fund;
- to prohibit certain donations made directly to political parties;
- to regulate the disclosure of donations accepted;
- to determine the duties of political parties in respect of funding;

- to provide for powers and duties of the Commission;
- to provide for administrative fines;
- to repeal the Public Funding of Represented Political Parties Act of 1997; and
- to provide for transitional matters.

The Political Party Funding Act is scheduled to be implemented in a phased approach over the medium term (2019–2021) as capacity is developed within the Electoral Commission.

2.4 Strategic outcome-oriented goals

Programme	Strategic Outcome-oriented Goal	Number of targets	Number achieved/ exceeded	Number not achieved	Percentage achievement
Programme 1: Administration	**Goal 1:** Strengthening governance, institutional excellence, professionalism and enabling business processes at all levels of the organisation	10	7	3 not achieved	70%
Programme 2: Electoral Operations	**Goal 2:** Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a cooperative relationship with political parties	10	6	4	70%
Programme 3: Outreach	**Goal 3:** Strengthening electoral democracy	5	5	0	100%
Total		**25**	**18**	**7**	**72%**

3. Performance information by programme

3.1 PROGRAMME 1: ADMINISTRATION

Programme 1 supports the achievement of Strategic Outcome-oriented Goal 1. It provides for the overall strategic management of the Electoral Commission, as well as centralised support services. This programme focuses on strengthening governance by refining institutional governance arrangements (including the Commission's committees and structures), exercising oversight, monitoring, evaluation and support.

Commissioners provide oversight in respect of the activities of the organisation, and facilitate the promotion of the principles of peaceful, free and fair elections.

The Office of the CEO monitors the implementation of and adherence to the Commission's strategic priorities and organisational policies.

Corporate Services focuses on strengthening institutional excellence and professionalism at all levels of the organisation, building institutional capacity, expanding human capital development, adhering to performance standards, becoming people-centred, managing financial and human resources well, improving and maintaining internal control, strengthening risk management, maintaining sound industrial relations and building institutional memory.

This programme provides for enabling business processes and systems in respect of legal services, financial management, and ICT, human resources management and facilities management to efficiently and effectively support the core business of the Electoral Commission.

Strategic objectives

Strategic Objective 1.1	Exercise oversight (monitoring, evaluation and leadership) to ensure the effective implementation of the Electoral Commission's core mandate, strategic goals and objectives, aligned with the corresponding budget allocation.
Strategic Objective 1.2	Exercise oversight (monitoring, evaluation and support), the provisioning of assurance and risk management services.
Strategic Objective 1.3	Build institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate.
Strategic Objective 1.4	Manage financial resources efficiently to protect the public image of the Electoral Commission as an accountable institution.
Strategic Objective 1.5	Provide and maintain a stable, secure and scalable ICT environment that meets the functional needs of the Electoral Commission to ensure the credibility of electronic electoral processes.

Strategic objectives, key performance indicators, planned targets and actual achievements

Programme 1: Administration							
Strategic objective	**Reference**	**Performance indicator**	**Actual achievement 2017/18**	**Planned target 2018/19**	**Actual achievement 2018/19**	**Deviation from planned target to actual achievement for 2018/19**	**Comment on deviations**
1.1 Exercise oversight (monitoring, evaluation and leadership) to ensure the effective implementation of the Electoral Commission's core mandate, strategic goals and objectives, aligned with the corresponding budget allocation.	1.1.1	Number of Commission meetings held per annum	10	11	12	1	**Target achieved.** Preparations for NPE 2019 necessitated more meetings than planned.
	1.1.2	Number of quarterly reports per annum reviewed by the CEO within 30 days after the start of the next quarter	4	4	4	–	**Target achieved.**
1.2 Exercise efficient oversight (monitoring, evaluation and support), the provisioning of assurance and risk management services.	1.2.2	Number of quarterly internal audit progress reports per annum prepared by the Chief Audit Executive and reviewed by the Audit Committee each year within 60 days after the start of the next quarter	2	4	4	–	**Target achieved.**
	1.2.3	Quarterly review and update of the Electoral Commission's strategic risk register by the Executive Risk Management Committee within 30 days after the start of the next quarter	4	4	4	–	**Target achieved.**
1.3 Build institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate.	1.3.1	Number of permanent staff positions filled per annum (posts filled for part of the year will be counted on a pro-rata basis)	929 filled posts calculated pro-rata over the year	930 filled posts	922 filled posts calculated pro-rata over the year	(8)	**Target not met** due to delayed organisational review processes.
	1.3.2	Number of permanent staff who were provided with developmental training interventions per annum	734	372	2 478	2 106	**Target achieved by** 2 106 due to training approach that was adopted by most provinces to training initiatives leading up to NPE 2019.

Programme 1: Administration							
Strategic objective	**Reference**	**Performance indicator**	**Actual achievement 2017/18**	**Planned target 2018/19**	**Actual achievement 2018/19**	**Deviation from planned target to actual achievement for 2018/19**	**Comment on deviations**
1.3 Build institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate.	1.3.3	Extent of compliance with the performance management system as evidenced by the existence of performance agreements and performance assessments for the year under review	95% (892) of agreements for 2017/18 in place by the deadline date 94% (873) of performance assessments for 2017/18 were completed and moderated in May 2018	100% of performance agreements of qualifying staff (930 staff members) 100% of performance assessments of qualifying staff (930 staff members)	85% (789) of performance agreements for 2018/19 in place by the deadline date 0% (0) of performance assessments for 2018/19 were completed and moderated in May 2019	15% of performance agreements were not signed. 0% of performance assessments were completed.	**Target not achieved:** 85% of performance agreements were completed by the deadline date of 1 April 2018, and 0% of assessments were completed and moderated in advance of the May 2019 deadline. This was due to the higher than anticipated quantum of activities in relation to NPE 2019. Performance assessments are now scheduled for June 2019.
1.4 Manage financial resources efficiently to protect the public image of the Electoral Commission as an accountable institution.	1.4.1	Achieve an unqualified audit report on the annual financial statements each year	Unqualified	Unqualified	Unqualified	–	**Target achieved.**
1.5 Provide and maintain a stable, secure and scalable ICT environment that meets the functional needs of the Electoral Commission to ensure the credibility of electronic electoral processes.	1.5.1	Minimum annual percentage network and application systems availability measured in hours (system-generated report available)	98.38% (2 169.206 hours achieved)	97% (2 223 hours' achievement)	97.666% (2 172.063 hours achieved)	Target overachieved by 0.666%	**Target achieved.** Performance above target indicates a very stable ICT network and application system availability.
	1.5.2	Upgrade IT hardware and platform on a five-year cycle as per the approved ICT strategy and plan (Phase 1) by 31 March 2018 and (Phase 2 & 3) by 31 March 2019 and storage upgrade/ replacement by 31 March 2020	100% achieved (Phase 1)	Platform upgrade completed (Phase 2 and Phase 3)	Phase 2 at 87% and Phase 3 at 65%	Phase 2 (13%) and Pase 3 (35%) not achieved	**Target not achieved** due to delayed procurement processes.

COMMISSION SERVICES

Members of the Commission provide oversight in respect of the activities of the organisation, and facilitate the promotion of the principles of peaceful, free and fair elections.

In accordance with the Electoral Commission Act, the Commission may meet at any place in the Republic for the purposes of performing its functions.

To meet its obligations, and in compliance with the principles and practices contained in the Code of Conduct and Report on Governance Principles for South Africa (King IV), the Commission established the following governance committees:

- Finance, Risk and Compliance Committee, convened by the Chairperson, Mr Mashinini
- Human Resources Governance Committee, convened by Dr Masuku
- Elections Management Committee, convened by Mr Moepya
- Research, Knowledge Management and Publications Committee, convened by Dr Masuku
- Outreach, Communications and International Relations Committee, convened by the Vice-Chairperson, Ms Love
- Governance and Ethics Committee, convened by the Chairperson, Mr Mashinini
- Party Funding, convened by the Vice-Chairperson, Ms Love

The purpose of these committees is to assist the Commission in carrying out its oversight responsibilities in respect of various functional areas in the organisation, and to ensure that it fulfils its obligations as outlined in the Constitution and other relevant legislation. Committee meetings are held approximately every month.

In addition to the above, the Commission resolved to allocate provinces to full-time Commissioners where they could exercise oversight. The provincial allocation is as follows:

- Mr Mashinini: National Office, KwaZulu-Natal and Mpumalanga
- Ms Love: Free State, Gauteng and Northern Cape
- Dr Masuku: Eastern Cape and Western Cape
- Mr Moepya: Limpopo and North West

OFFICE OF THE CEO

The Office of the CEO monitors the implementation of and adherence to the organisational policies and the achievement of goals, objectives and performance targets. It also works to improve the effective and efficient functioning of the Electoral Commission.

The annual report for the 2017/18 financial year was tabled in the National Assembly on 17 September 2018.

The implementation of the 2018 Annual Performance Plan (APP) was monitored regularly and the CEO reviewed reports on performance against targets set for performance indicators on a quarterly basis.

The Electoral Commission's Strategic Plan and 2018/19 APP were tabled in the National Assembly on 26 March 2018. A revised version of the 2018/19 APP was tabled on 12 December 2018.

INTERNAL AUDIT

The International Standards for the Professional Practices of Internal Auditing, as set by the Institute of Internal Auditors (IIA) are imported into the PFMA via Treasury Regulation 3.2.5 and 3.2.6.

The Commission has appointed a Chief Audit Executive (CAE) who ensures that, in executing the internal audit plan as approved by the statutory Audit Committee, internal auditing at the Electoral Commission is conducted in accordance with the IIA standards. The CAE is assisted in-house by one technical resource. Together they constitute the in-house internal audit capacity. A new co-sourced internal audit panel was duly appointed in February 2018 up to and including finalisation of the 2022/23 audit cycle. The co-sourcing arrangement allows the CAE to retain responsibility for the internal audit process, while relying on the panel members for specialised auditor skills, professional execution, the application of leading practices, proven methodologies and world-class technologies and tools.

The 2018/19 audit cycle provided the internal audit function with the opportunity to assess the audit universe, as well as the drivers of stakeholder expectations towards refining its value proposition. This resulted in a roadmap of necessary "step-changes" towards leveraging stakeholder value realisation along the assurance vs consulting continuum. Implementation will commence in the next financial year.

The Audit Committee initially approved 18 audit projects for funding in the 2018/19 operational plan. The focus for one project was reprioritised from review on the software development for the voter registration device to instead provide assurance on the development of the new party funding system as an emerging risk. In addition, one further subproject was approved for assurance on the periodic Constitutional Court reporting following the ruling to grant extension to November 2019 for the Electoral Commission to update the voters' roll with addresses for all voters. However, the project fieldwork for this project could not be executed as planned, hence the Constitutional Court assurance project was carried forward to the next audit cycle.

The status of the 2018/19 annual internal audit operational plan is illustrated below:

***Table 1:** Status of total resourced projects during 2018/19*

Audit projects: 2019			
Totals	**Completed**	**Management comments**	**March 2019 project carried forward**
19	14	4	1
100%	74%	21%	5%

The responsibility for forensic investigations is assigned to the Labour Relations Unit of the Human Resources Department. All internal audit projects undertaken for the year ended 31 March 2019 therefore excluded any forensic audits or investigations.

The CAE's annual opinion of "needs improvement" was derived by aggregating the ratings of each of the internal audit reports issued for 2018/19.

HUMAN RESOURCES

Skills development

The Electoral Commission embarked on a skills audit process to help identify critical skills that are necessary to carry out the mandate of the Electoral Commission. The outcome of a skills audit process compels the institution to focus on the actual skills gap and prioritise those during the course of the financial year, subject to budget availability.

However, not all skills development initiatives were conducted by attending external courses. Certain initiatives were conducted in-house, not necessarily ending with the attainment of a qualification or certificate, but with the acquisition of knowledge and skills to help improve the performance of employees. The employee bursary scheme is still one of the popular vehicles utilised by employees to develop their careers, particularly employees who do not possess any post-matric qualification.

The 2018/19 financial year is an election year for the Electoral Commission; hence, the priority was on developing training materials and conducting election-related training.

The Electoral Commission partnered with the Institute for African Renaissance Studies (IARS) of the University of South Africa (Unisa) to deliver an accredited certificate programme on the Management of Democratic Elections in Africa (MDEA). The aim of this programme is to increase the number of electoral employees who understand the role of electoral management bodies in a democracy and to increase the capacity of electoral management bodies throughout Africa.

Material development for registration and voting training

Over the years, the Electoral Commission has embarked on a process of training and developing its employees to ensure that they have the necessary knowledge and understanding of election management, as well as facilitation and training skills. As a result of this, the Electoral Commission utilises its own employees to develop training material for both the registration and voting processes.

The following material was developed for training:

***Table 2:** Registration material developed*

Document	Short description	Number of copies
Module 1	Introduction to the Electoral Commission	78 600
Module 2	Registration Guide	104 140
Registration Diary	Tool to capture and record incidents at registration station level	99 038
Area Manager Registration Diary	Tool used by the area manager to monitor and support registration processes in their wards	20 719
Registration posters	Tool to assist in enhancing the transparency of the Electoral Commission's processes	25 293

The following material was developed for election training:

***Table 3:** Election material developed*

Document	Short description	Number of copies
Module 3	Special Voting	165 000
Module 4	Voting	165 000
Module 5	Counting	165 000
Voting Station Diary	Tool to capture and record incidents at voting station level	165 000
Voting Centre Diary	Tool to capture and record incidents at the voting centres	11 200
Area Manager Diary	Tool used by the area manager to monitor and support voting processes in their wards	27 500
Poster pack for voting stations or voting centres	Tool to assist in enhancing the transparency of the Electoral Commission's processes	75 540

National and provincial training imbizos

Two national training sessions were conducted in the 2018/19 financial year to prepare master trainers who trained lead trainers to train provincial trainers for both the registration and voting day processes. The national training imbizos were replicated at provincial level to prepare all trainers for both events.

A total of 898 permanent and fixed-term employees, most of whom are trainers, attended both the registration and election training imbizos. The train-the-trainer approach promotes standardisation, provides a platform where trainers from the nine provinces can share best practices and learn from each other, and builds strong internal support where learning is part of an employee's daily experience.

Table 4: National and provincial training imbizos

Training imbizos		
Province or office	**Registration training Number of delegates**	**Election training Number of delegates**
National	103	106
Limpopo	84	104
KwaZulu-Natal	126	73
Gauteng	129	145
Eastern Cape	87	128
Northern Cape	62	94
Western Cape	66	66
Mpumalanga	59	69
Free State	64	59
Western Cape	58	113
Total	**838**	**957**

Monitoring and supporting the registration event

The success of every project is dictated by the constant monitoring of all phases of implementation. In a bid to ensure that what was learnt during the training is applied at the registration station level, employees are monitored at both provincial and national level. A monitoring checklist was developed to assess the performance of registration staff at station level. This information is used as part of the debriefing sessions and for the future improvement of electoral staff training. The Electoral Commission is still looking at methods that could be used to strengthen the monitoring and evaluation of all training sessions.

Bursaries

In striving to support employees' work performance and career development, the Electoral Commission provides a bursary scheme for its permanent employees. It granted 80 employees bursaries to study in various fields of their choice that are relevant to the mandate of the organisation. The reduction in the number of employees utilising the bursary scheme is due to preparations for NPE 2019.

Skills development initiatives

Since the focus of the organisation was on preparation for NPE 2019, most of the training provided in 2018/19 was related to the elections. The Staff Training and Development Department exceeded its training target due to an increase in the number of participants in the national and provincial training imbizos, as well as training on e-learning design and the ethics courses, which were provided by the National School of Government. A summary of the Electoral Commission's skills development is detailed in the following table.

Table 5: Skills development initiatives during 2018/19

Intervention	Number of delegates	Type of course
Training and Staff Development Online Course	1	Accredited
Bursaries	80	Accredited
SAPICS Annual Conference	1	External
Case Law Update	1	External
e-Learning Design Course	13	Accredited
Management of Democratic Elections in Africa (Unisa)	4	Accredited
Managing Training and Development	1	Accredited
Commercial Arbitration Short Course	1	External
SAPA Conference	5	External
Gartner Symposium ITXPO	1	External
AfricaGeo 2018 Conference	1	External
ITIL Foundation and Examination	2	External
Juta Annual Labour Law Update	2	External
IT Management for CIO Teams	1	External
Spring School for Postgraduate Students	1	External
Effective Stakeholder Management	1	Accredited
Ethics in the Public Service	581	External
National and Provincial Registration training sessions	944	In-house
National and Provincial Election training sessions	851	In-house
Total	**2 492**	

Managing democratic elections in Africa

In the year under review, four permanent staff members from various levels of the organisation attended Unisa's certified MDEA programme, which assisted employees to obtain the desired competencies to manage democratic elections, and hence deliver an improved service to the electorate. One Commissioner and one senior employee attended the Induction of Commissioners course in Malawi, offered by Unisa's IARS.

Internships

The Electoral Commission continues to provide learning opportunities to young graduates to integrate their theoretical knowledge with the real working environment. In the period under review, the Commission managed to increase its intake of interns from six to 11 in the following areas:

Table 6: Appointment of interns during 2018/19

Office	Business unit	Number of interns
National Office	Human Resource Administration	1
National Office	Training and Development	1
National Office	Labour Relations	1
National Office	Legal Services	1
National Office	Logistics and Planning	1
Northern Cape	Financial Admin and Assets	2
Eastern Cape	Electoral Matters	1
Eastern Cape	HR and Training	1
KwaZulu-Natal	HR and Training	1
Mpumalanga	Financial Admin and Assets	1
Total		**11**

E-learning

The Electoral Commission, with the assistance of the National School of Government, has piloted a module of ethics training to test the feasibility of introducing e-learning, which will be used for both permanent and electoral staff. During 2018/19, 581 employees completed the module and obtained certificates to that effect. The National School of Government also trained 13 employees on an e-Learning Design Course.

Currently, the Electoral Commission is sourcing the services of a qualified service provider to start with e-learning content development based on the current training materials utilised within the organisation.

FINANCIAL ADMINISTRATION

Overview

The Electoral Commission has a unique performance structure as activities are not consistent on a year-on-year basis, but are rather seasonal based on electoral activities. As such, the comparison of financial results to the prior year demonstrates large fluctuations. The key differences are set out in the table below:

Table 7: Fluctuations in electoral activities between 2016/17 and 2018/19

Electoral activities	2016/17	2017/18	2018/19
Number of registration weekends	1	1	1
Number of national/local elections	1	0	0
Training of electoral staff and preparations for elections	1	1	1

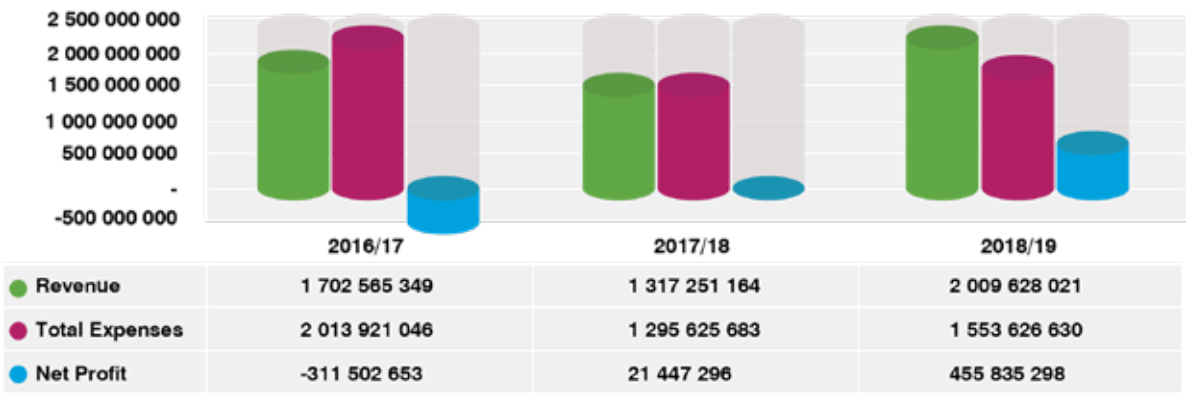


Figure 3: Statement of financial performance

The above is directly reflected in the revenue (mainly parliamentary allocation) and total expenditure for the respective years.

In the current financial year, R2 billion in revenue was received, of which R1.5 billion was spent on expenditure, mainly goods and services, lease rentals and employee costs, resulting in a surplus of R455 million.

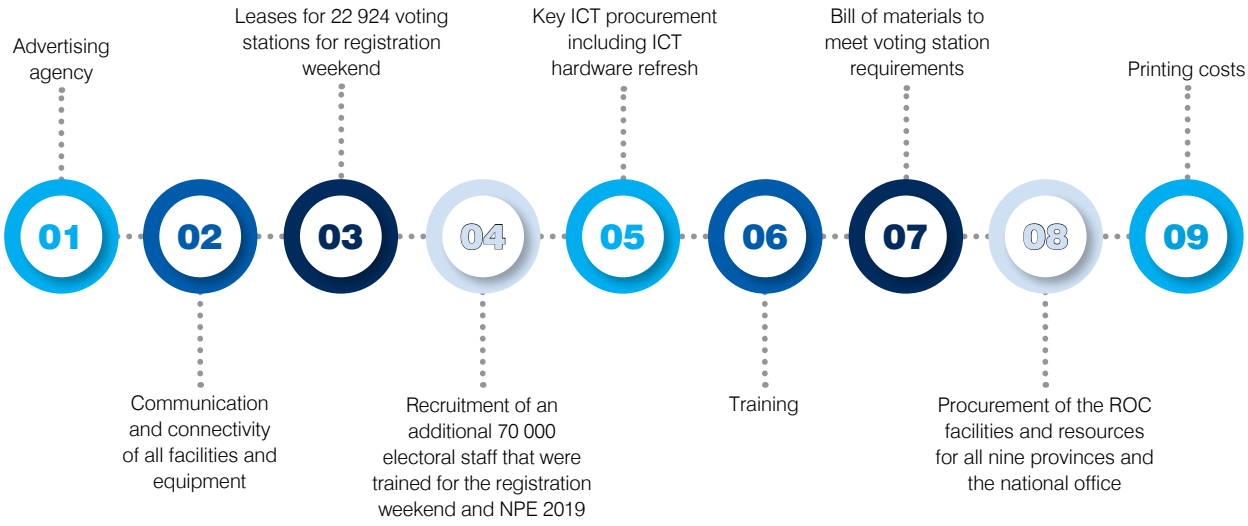


Figure 4: *Expenditure during 2018/19*

Financial performance

Cash and cash equivalents

New voter registration devices (VRDs) were planned to be procured in the 2017/18 financial year. However, the tender process was not successful. As a result of budgeting for the cost of these VRDs, the amount of unutilised cash at year-end was larger than in prior years.

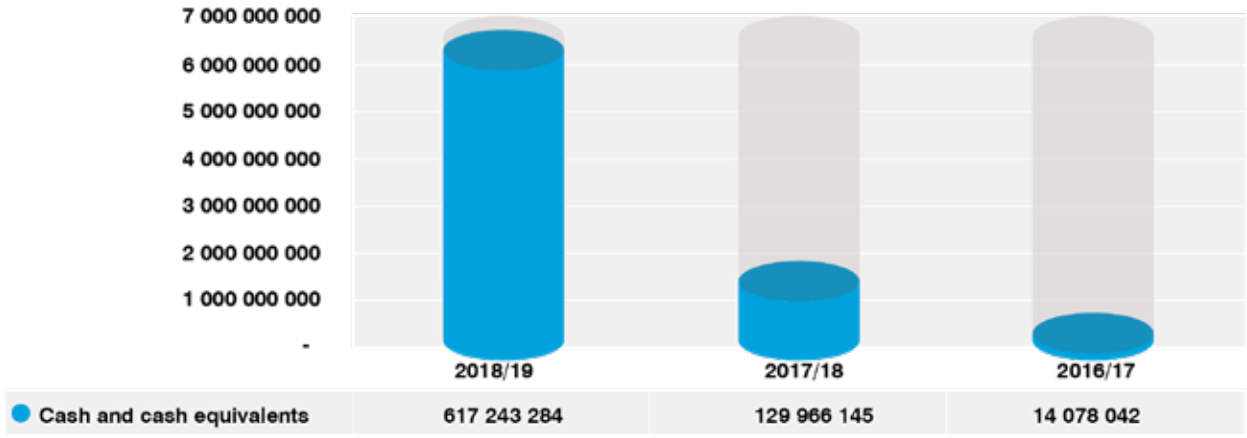


Figure 5: *Cash and cash equivalents*

Overall financial position

The Electoral Commission continues to be a going concern and its financial health is sound. Financial risk has been maintained at an acceptable level.

Assets:

- The increase in inventory is in line with operation needs for the elections.
- Trade receivables increased due to deposits paid for election venues.
- Investment in capital expenditure was R40 830 217.

Liabilities:

- Trade payables increased due to an increase in spending in preparation for the elections.
- The current portion of the lease liability has increased due to the Riverside Office Park lease nearing the end of its term.

Equity:

- The entire increase in equity can be attributed to the surplus for the year.

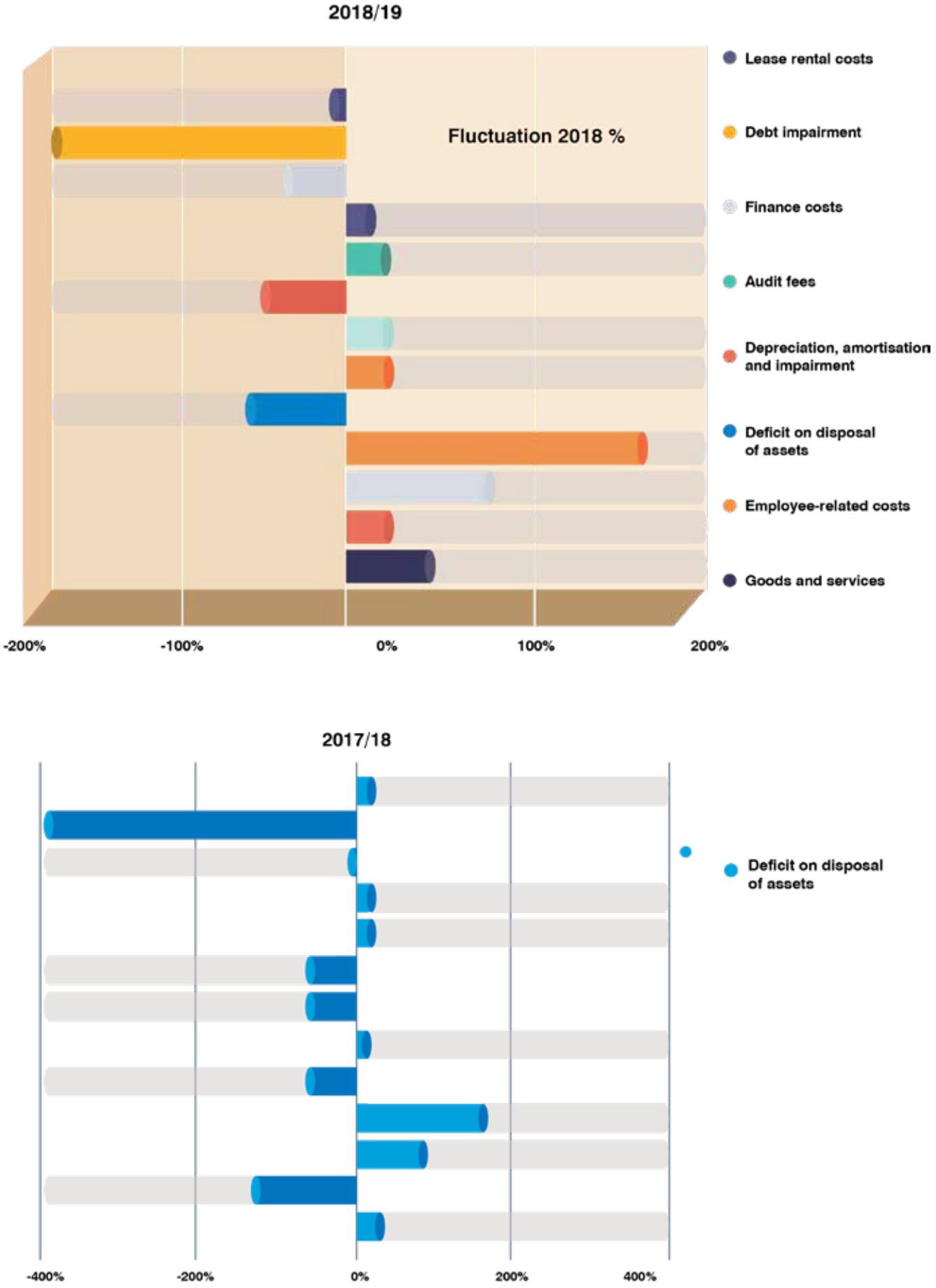


Figure 6: *Fluctuations of key line items in the Statement of Financial Performance from 2018 to 2019*

Based on the graphic representations on the previous page, it is clear that major fluctuations compared to the prior year are based on electoral activities. When compared to 2017, the percentage variances are not significant. The notable variance relates to depreciation, amortisation and impairment, and investment revenue. Included in the depreciation, amortisation and impairment is the reversal of the prior-year impairment for existing VRDs.

Due to the cancellation of the new VRD purchase, the amount for these devices needed to be reinstated and the impairment reversed. The devices were also not depreciated for the majority of the year as they were not in use. Investment revenue increased significantly due to funds budgeted for the new VRDs being unutilised. Debt impairment in the current year reflected a credit of R232 962 due to the recovery of debt previously provided for. The amount had previously reflected debit balances (R263 370 in 2018 and R98 736 in 2017).

Ratio analysis

Financial ratios are key indicators of the financial performance of an entity. Below are key ratios derived from the financial statements.

All liquidity ratios indicate a healthy ability to pay debt as they fall due. It should also be highlighted that the commitments for the next financial year are R164 353 659 (made up of lease commitments of R101 688 054 and other commitments of R62 665 605), which, if included in the current ratio, will still be covered by the cash balance.

Other balance sheet ratios that were considered were debtors' and creditors' days. Debtors' days remained constant year-on-year at nine days. This is due to the Electoral Commission not having traditional trade debtors, but receivables relating mainly to deposits for building rentals and prepayments. Creditors' days increased from 41 days to 58 days. This can be attributed directly to the increase in activities for elections.

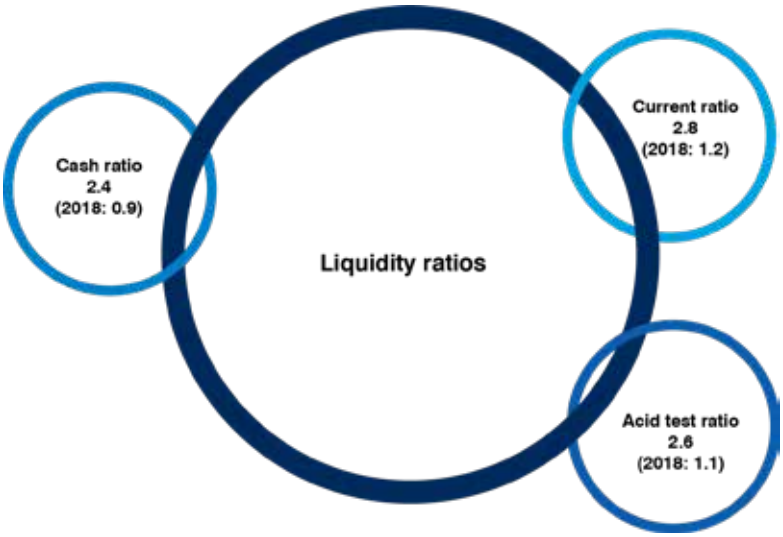


Figure 7: *Key ratios derived from the financial statements*

Service delivery ratios considered are listed below:

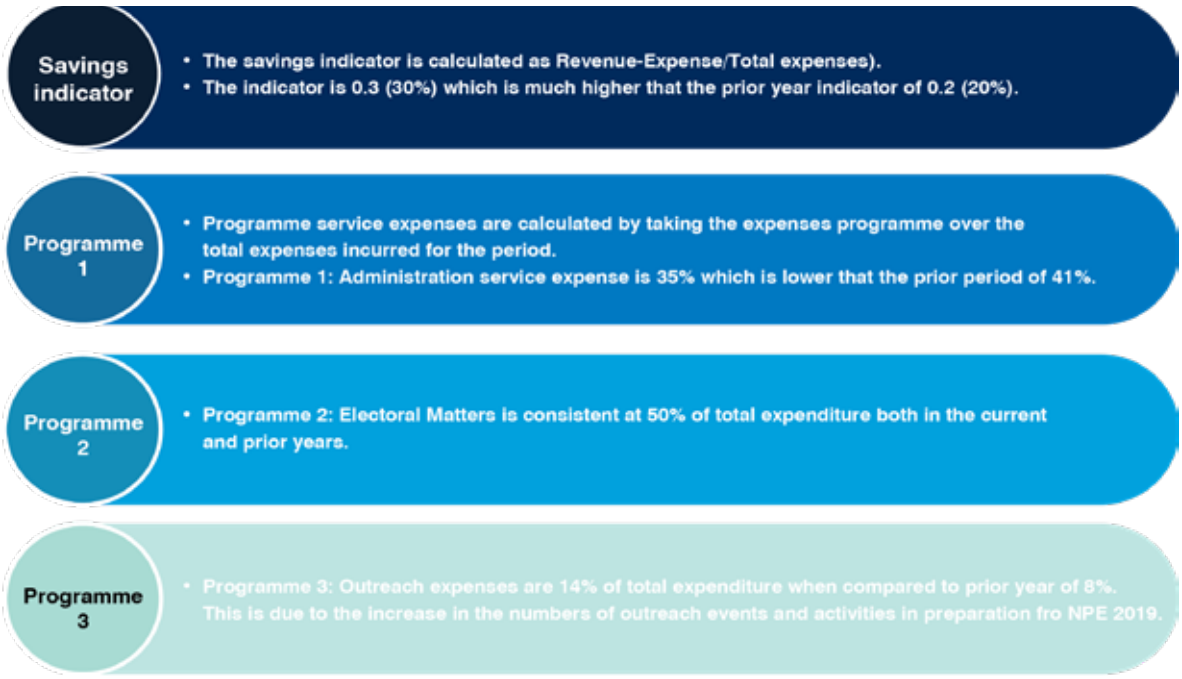


Figure 8: *Service delivery ratios*

Compliance with laws and regulations

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure incurred during the year amounted to R35 015, of which R28 800 relates to a payment to the incorrect service provider. This amount is in the process of being recovered.

Irregular expenditure

Section 40(3)(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.

Historically the major component of irregular expenditure has been the Riverside Office Park rentals. In the prior year, these payments were condoned by National Treasury due to the conclusion of the court order and sufficient investigations being conducted. In the current year, the majority of irregular expenditure incurred relates to non-compliance raised by the AGSA in the prior year. Below is a summary of irregular expenditure as at year-end.

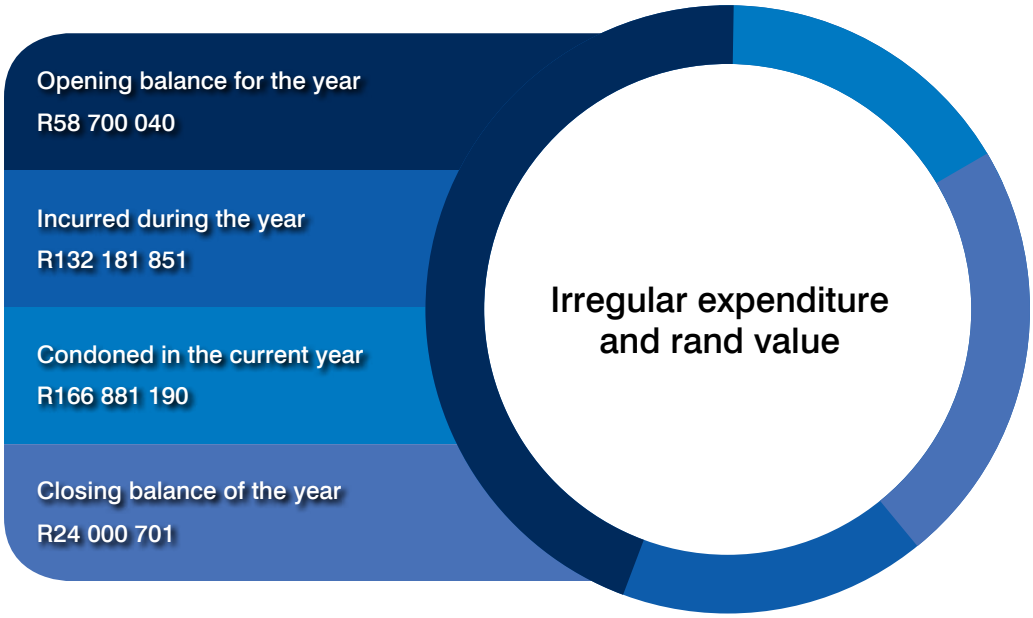


Figure 9: *Irregular expenditure at year-end*

The majority of the irregular expenditure incurred in the current year relates to a prior-year finding raised by the AGSA regarding non-compliance with the terms of reference in composing the Bid Adjudication Committee. This amounts to R101 170 917 incurred in the current year and R126 826 395 cumulatively.

Management action to prevent irregular expenditure

Management has performed a root cause analysis of the AGSA's findings on procurement and is implementing an action plan. Progress on the plan is monitored regularly and reported to the Audit Committee.

Consequence management must be at the centre of the strategy to change behaviour and deter future non-compliance with the Electoral Commission's policies, laws and regulations.

Proactive audits by internal audit on the procurement process for competitive bids must be promoted. A number of audits were conducted in this regard in the 2018/19 financial year.

Eliminating disagreements and interpretation differences of legislation between management and the AGSA is critical. This requires a closer working relationship between the AGSA and management, such that areas of difference are identified early on and corrective action is undertaken.

The CFO and the AGSA have agreed to include supply chain management (SCM) testing in the scope of the internal audit. The effective management of this process will assist the Electoral Commission in this regard. The AGSA has tabled the interim audit finding as agreed.

The Electoral Commission promotes the continued training and development of all staff members involved in the SCM process for competitive bids. A workshop for provincial officials was held on 1 November 2018. More training will be held after NPE 2019.

SUPPLY CHAIN MANAGEMENT

The Electoral Commission continues to strive to achieve compliance with the PFMA and Treasury Regulations, and to enhance the efficiency and effectiveness of its SCM process. To achieve this aim, the following projects were undertaken in the 2019/20 financial year:

- A review of procurement policy and standard operating procedures (SOPs) to ensure alignment with SCM requirements. This included continuous adjustment, where necessary, of procurement systems and processes.
- The effective utilisation and operational management of electronic procurement systems (SAP and eProcurement).
- Targeting broad-based black economic empowerment (B-BBEE) and small, medium and micro enterprise (SMME) suppliers to strengthen and expand the Electoral Commission's supplier database as aligned with National Treasury's Central Supplier Database (CSD).
- Stringent and effective due diligence audits on companies under consideration for contracts, especially to ensure the validity of supplier claims in terms of the provisions of the Preferential Procurement Policy Framework Act of 2000.
- Reporting, as required, to National Treasury in respect of procurement plans and quarterly reports, as well as specific reporting requirements on deviations and variations to contracts.
- Skills development initiatives at the national, provincial and local offices for SCM functions.
- Alignment and integration of the Electoral Commission's procurement systems and processes to the requirements of the Preferential Procurement Regulations of 2017, as well as the CSD and other instructions and directives issued by National Treasury.

In 2019/20 184 web-based electronic competitive bids (reverse auctions) were run on the Electoral Commission's eProcurement system. This resulted in contracts with an estimated value of R552.3 million being awarded. Of these, 86% of the contracts to the value of around R472.3 million were awarded to B-BBEE companies as illustrated below.

A total of 58 contracts to the estimated value of R628 million were awarded through normal competitive bids (tenders). Some 95% of these contracts, to the value of around R597.2 million, were awarded to B-BBEE companies, as illustrated in the following figures.

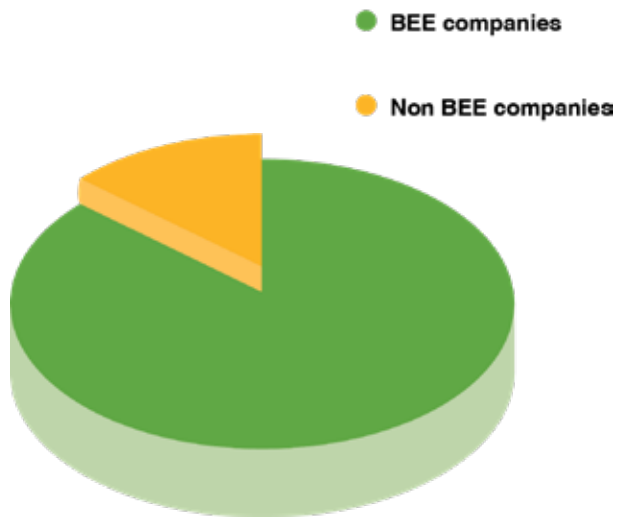


Figure 10: *Auctions awarded by black economic empowerment (BEE) contributor status*

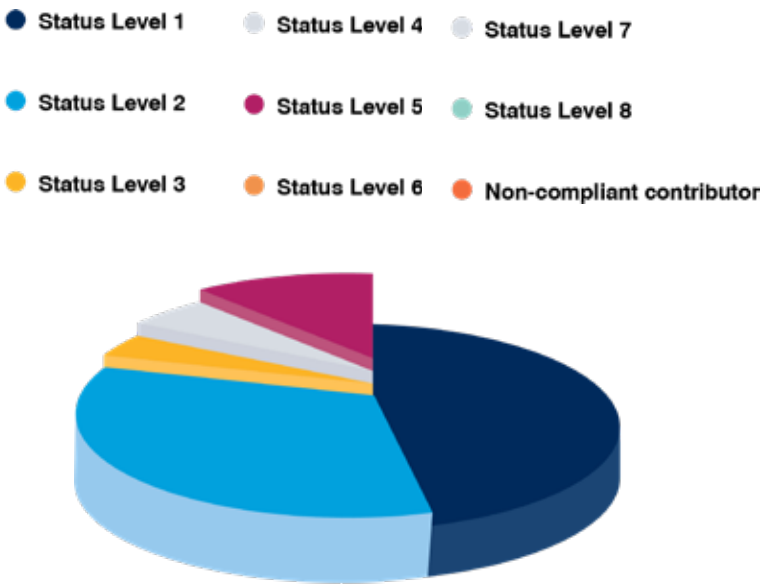


Figure 11: *Auctions awarded by B-BEEE contributor status*

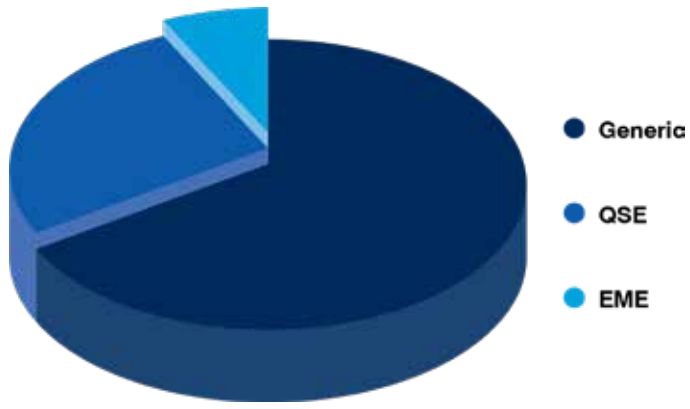


Figure 12: *Auctions awarded by enterprise type*

Figure 13: *Tenders awarded by enterprise type*

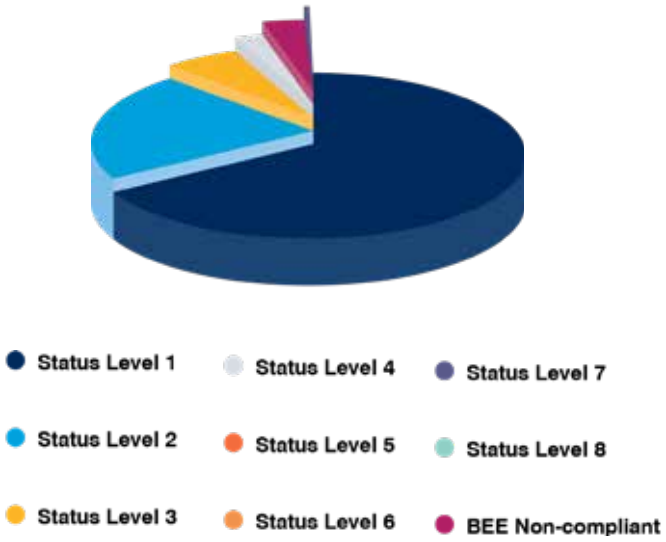


Figure 14: *Tenders awarded by B-BEEE contributor status*

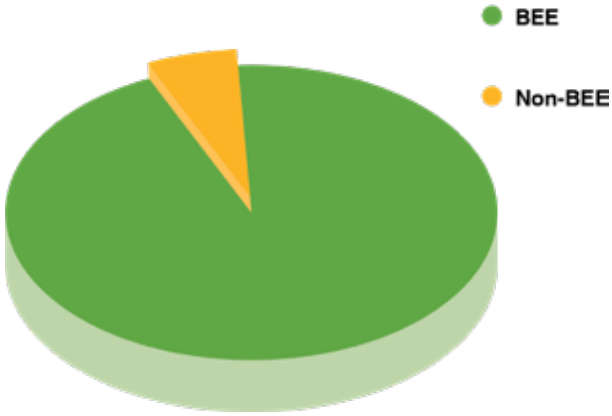


Figure 15: *Tenders awarded by BEE status*

INFORMATION AND COMMUNICATION TECHNOLOGY

Information and communication technology continues to play a critical role in supporting the various processes of the Electoral Commission. The following continuous support services are at the core of the Commission's ICT capability, and provide the foundation for all other ICT activities:

- Stable applications to support and enable all business processes
- Closely integrated systems aimed at ensuring a seamless flow of information across the different systems
- A stable and secure ICT infrastructure, a stable network at both wide area network (WAN) and local area network (LAN) levels and at the data centre
- Scalable network and background server capacity, with the required capability of supporting increased election activity and network traffic

- The management of risks, disaster recovery and business continuity processes
- Integrated online self-service facilities for citizen engagement through the internet using the Commission's websites, mobile applications, SMS and social media
- Ensuring that the Electoral Commission can take advantage of and fully utilise all available and relevant technologies in the ICT market
- Stable and effective open data platforms; providing an integrated technology-enabled platform for all stakeholders through the Application Programming Interface (API)
- Preparations for NPE 2019
- Infrastructure renewal and capability improvement

Specific projects are undertaken in accordance with changing and evolving business requirements in the various areas. During an election preparation year, the number of projects escalates and additional resources are sourced to service the additional workload.

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

ICT activities: preparation for NPE 2019

In preparation for the upcoming national and provincial elections, the following projects were undertaken or initiated:

NPE 2019 results system enhancements

A number of enhancements were made to the NPE 2019 results system. This includes updates to the Section 55 objections module, workflow for the printing of additional results slips and refinements to reports.

As has been the practice over the years, an external audit of the results system was commissioned. The goal of the audit was to ensure functional, data and security integrity of the system in accordance with the applicable legislation and stated business imperatives.

NPE 2019 Online Candidate Nomination System

During LGE 2016, an online system was introduced for parties to capture and submit their candidates with the required documentation. The system was adapted for NPE 2019 and used successfully during the candidate nomination process.

Special votes

Similar to enhancements introduced for the LGE 2016, the special votes application modules were adapted to allow online and SMS applications for special votes.

Results preparations

The Electoral Commission's mobile application is being enhanced with respect to the display of national and provincial election results. It is also being rewritten to a framework that will allow more flexibility for future updates and enhancements.

A results dashboard and NPE 2019 reports are also being developed for the public website, which will enable interested parties to not only have quick overviews of the results, but also in-depth reports.

At the 10 results operations centres (ROCs), leaderboards and maps are displayed to summarise the verified results received. Preparations are in progress to deliver these services.

Address on the voters' roll and registration support

One of the main activities of the organisation during 2018/19 was to continue the process of updating addresses on the voters' roll. Addresses were sourced from voters during by-elections and the general registration weekend on 26 and 27 January 2019.

In addition, a number of external address sources were evaluated with respect to voters without addresses to determine whether the address sourced matched the voting district of registration. Addresses matching the registration location were included on the voters' roll.

By-election support was provided in respect of registration maps, bulk geocoding and the quality assurance of voters' rolls addresses, verifying the correctness of registered voters, locating addresses in relation to the by-election ward, as well as the movement of voters in terms of section 12 of the Electoral Act, Act 73 of 1998. Results-capturing processes were also supported to ensure that capturing took place timeously.

The online address capture system, which was developed for the website and mobile application platforms and launched in October 2017, has been used by more than 260 000 voters. The system uses enhanced online mapping, which includes comprehensive national addresses, recent high-resolution aerial photographs and street view photographs to locate voters' addresses and ensure that voters are registered in the correct voting station, thereby improving the quality of the voters' roll. The facility includes an electronic version of the abovementioned section 12 procedure, ensuring that voters are registered in the correct voting district.

A new voting station finder facility with enhanced online mapping was also implemented and used successfully during the registration weekend held on 26 and 27 January 2019.

An online voter registration capture system was developed to enable a registration official to register voters online and in real-time. It has been used to support target communication and registration campaigns at tertiary institution after the January 2019 registration weekend. This had the effect of registering voters online in real-time, thereby eliminating the need for scanning and address capturing, while providing the capability to confirm registration immediately. Similar to online address capture, the system uses enhanced online mapping, which includes comprehensive national addresses, recent high-resolution aerial photographs and street view photographs to locate voters' addresses and ensure that voters are registered in the correct voting station, thereby improving the quality of the voters' roll.

In preparation for the general registration weekend on 26 and 27 January 2019, delimitation was performed and A3 maps produced (registration and voting station orientation maps). The registration maps are used to activate the zip-zip machines for the correct voting districts.

Atlas of Results: LGE 2016

Since 1999, an Atlas of Results has been compiled following national and provincial elections. From 2011, an electronic Atlas of Results has also been prepared for local government elections.

The Atlas of Results for LGE 2016, which started in the previous financial year, was launched in November 2018.

The Atlas condenses election data into a clear, concise, visual format with geospatial referencing. Comparisons with similar elections held previously are provided, making the Atlas a very valuable planning and analysis tool for political parties and political scientists. Various themes are included in the Atlas, such as delimitation (information about the voting district and station network which forms the basis of data collection), voter registration, leading party maps, party support, voter participation and party support variance. The latter theme compares a party's own performance against its performance in previous elections.

For example, the two maps below display the leading party maps by ward for 2011 and 2016. In accordance with the legend, each voting district is shaded with the colour of the party that obtained the most votes in a ward. The effect is a map that indicates the results for all the voting districts in the respective wards for an election. These maps provide a clear picture of the changes in the country's political landscape.

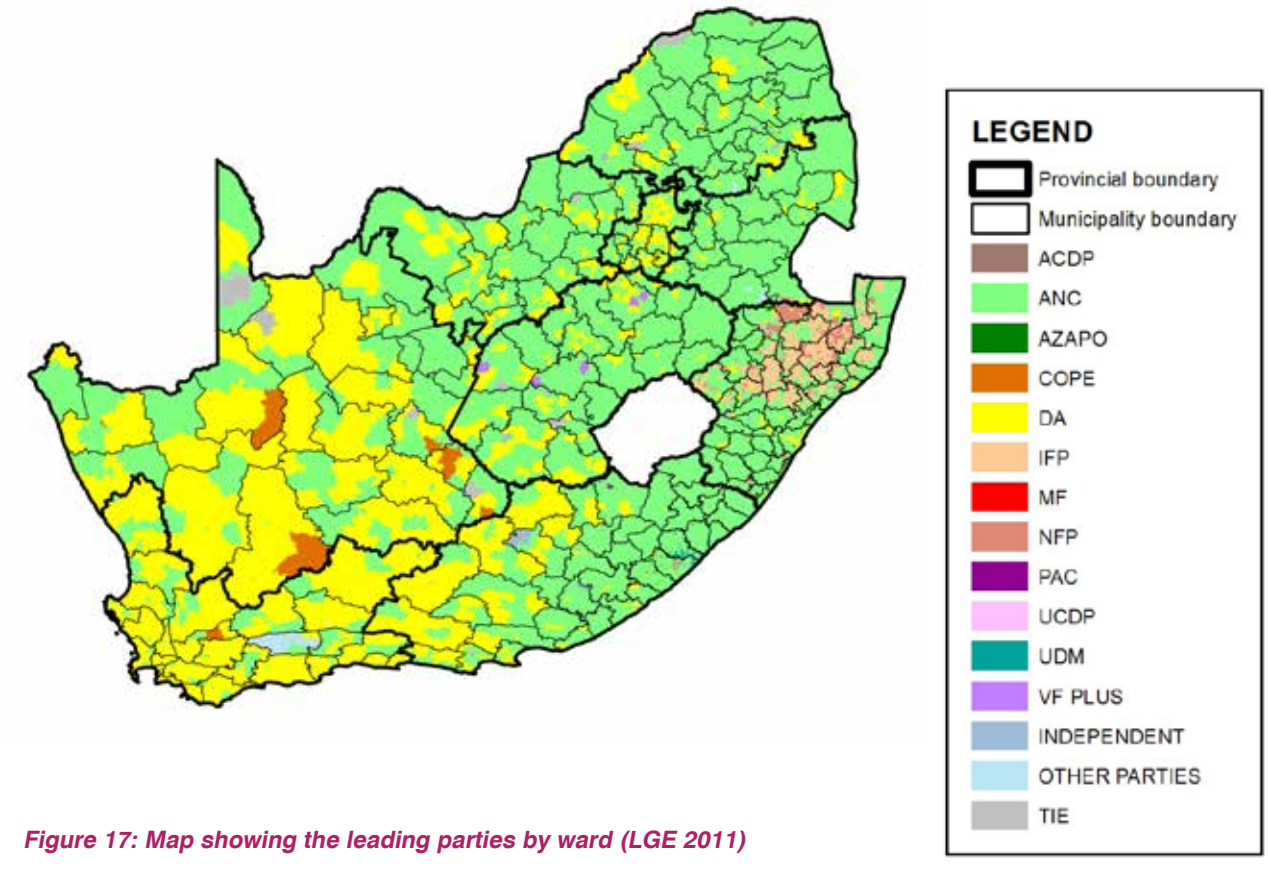


Figure 17: Map showing the leading parties by ward (LGE 2011)

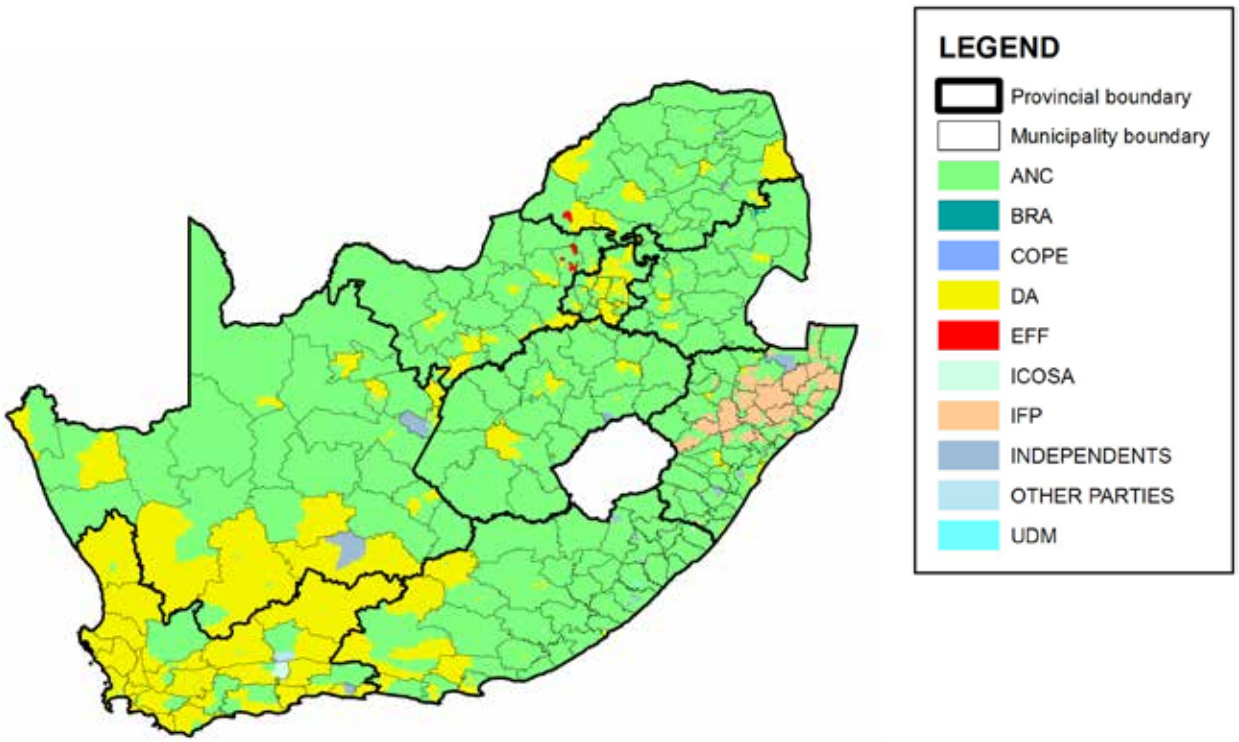


Figure 18: Map showing the leading parties by ward (LGE 2016)

Projects

In addition to the activities listed above, the following ICT projects have also been undertaken:

Project name	System or project description	Enhancements
Procurement Plan	The current procurement plan system is based on open source software and tracks the procurement items to be reported to National Treasury.	The enhancements deal with rewriting the system onto the internal platform and adding functionality to track the procurement items from planning to award. Supporting documentation can also be uploaded.
Party Funding System Phase 1	This system is designed to track and manage donor funding to political parties in terms of the new Act.	The first phase of the project deals with the ability of parties to report donations and for the Electoral Commission to track and verify this funding. Further phases will add more functionality and workflow components.
Ballot Paper Tracking	The system is designed to plan and manage the allocation to ballot paper printers. As soon as a new registration device is available, ballot papers will also be tracked from printing to the voting station.	The planning, barcode generation and printer allocation and management modules have been completed.
Platform review and upgrade	In order to upgrade the ICT environment to newer operating systems, database management systems and browsers (Windows 10, SQL 2016 and Edge/IE), all systems and services have to be reviewed.	Reviewed, tested and changed (where applicable) all custom-built systems to ensure compliance to the new platform. Enhancements will also be included where possible. Off-the-shelf products are verified with the various suppliers. The project commenced and will complete in the 2019/20 financial year.
Year-end financial processes	Support for year-end and external auditing process.	Support for internal and external auditing processes throughout the year, including year-end audits. Activation of year-end processes.

Project name	System or project description	Enhancements
Data centre capacity upgrade	Upgraded storage and backup infrastructure.	Procured new servers as part of the infrastructure renewal and improvement project
Network capacity upgrades	Upgraded network capacity	Following a network review, potential capacity constraints and vulnerabilities were identified: • Increased bandwidth in selected areas, such as internet connectivity, backhaul to national office, disaster recovery plan (DRP) line, selected provincial and municipal electoral office sites. • Upgraded and replaced more than 100 switches as part of network security improvements deploying newer, more secure and manageable switches. • Increase bandwidth capacity for elections.
Upgraded various operational productivity tools, including security monitoring	Various annual software maintenance renewals and subscriptions.	Renewed most of the various annual software maintenance and support licenses to maintain access to new software patches from original equipment manufacturers, such as VMware, Check Point Firewall, SSL certificates, Symantec, Microsoft Windows, SAP and Remedy.
Call centre support	Support and enable the call centre processes.	Provided network connectivity, systems and infrastructure to enable operations at the Election Call Centre and continued to provide operational support.

General ICT maintenance activities

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

- By-elections support, which includes supporting pre-by-elections voter registration activities, address capture support and investigations, generating ballot papers and certified voters' rolls for by-elections. On the day of the by-election, support is provided for the capturing of results and scanning of results slips. The support is concluded with the generation of payment files and reimbursements.
- Ad hoc data 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 ICT team, depending on the nature of the request.
- System investigations and impact analyses are performed 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. These provide the basis for further action.
- SAP stack maintenance and SAP governance, risk and compliance (GRC) support pack upgrades are performed.
- Daily system checks are done in all environments to ensure that all systems are available and stable before the start of business. This includes servers, switches, storage area network (SAN) devices and provincial uninterrupted power supplies (UPS).
- All systems are backed up according to the schedules set by the organisation and tapes are removed off-site on a weekly basis.
- Security monitoring of the ICT infrastructure takes place, which includes malicious code and virus propagation, operating system vulnerabilities and exploits, user activity monitoring, network analysis and monitoring, and daily audits and operational tasks.
- All LAN and WAN activity is monitored on a daily basis to ensure the provision of high availability and adequate capacity.
- A disaster recovery site is maintained of all business critical systems.

Overall performance

Overall, the programme achieved and exceeded its target in terms of the APP. The actual achievement is an annual average of 97.666% of the annual performance target, which represents an achievement of 2 172 hours of the targeted 2 223 hours for the year.

Linking performance with budgets

Programme	2018/19			2017/18		
	Budget	Actual expenditure	(Over-)/ under-expenditure	Budget	Actual expenditure	(Over-)/ under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	725 365	564 572	160 793	543 895	537 463	6 432

3.2 PROGRAMME 2: ELECTORAL OPERATIONS

Programme 2 supports the achievement of Strategic Outcome-oriented Goal 2.

Electoral Operations Management provides the strategic management for Programme 2.

The Electoral Matters Department facilitates the participation of voters in regular free and fair elections, using sustainable systems, people and processes. Activities include the delimitation of boundaries, maintenance of the national voters' roll and the planning and coordination of activities during registration weekends, on voting day and on special voting days, as well as for home visits. The counting of votes, collation of results and seat calculations are the eventual activities of the Department.

The Logistics and Infrastructure Department provides logistics, warehousing and distribution services, plus infrastructure, including voting stations and municipal electoral offices, and ensures the provisioning of electoral materials and equipment as specified in the Bill of Materials (BOM) for electoral projects.

The Political Liaison Department facilitates the participation of parties in regular free and fair elections using systems, people and processes that are sustainable. This programme provides for the registration of political parties, and ongoing liaison platforms with registered political parties and independent candidates.

Provincial and local offices provide the resources and decentralised support costs in provinces, excluding accommodation (rental costs).

The Electoral Capacity-building Department provides for the salaries, allowances and training costs of all categories of electoral staff. 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 objectives

Strategic Objective 2.1	Manage free and fair elections in accordance with the applicable electoral timetables to ensure the efficient and credible execution of the mandate of the Electoral Commission.
Strategic Objective 2.2	Maintain an accurate national common voters' roll to ensure the credibility of elections.
Strategic Objective 2.3	Ensure efficient election delivery by the timely establishment of accessible and suitable voting facilities and processes and by applying infrastructure and logistical resources to meet operational demands for main electoral events.
Strategic Objective 2.4	Provide consultative and cooperative liaison platforms between the Electoral Commission and political parties to facilitate free and fair elections.
Strategic Objective 2.5	Strive for excellence at voting station level to enhance the integrity of elections and to enable the Electoral Commission to deliver on its mandate.

Strategic objectives, key performance indicators, planned targets and actual achievements

Programme 2: Electoral Operations							
Strategic objective	**Reference**	**Performance indicator**	**Actual achievement 2017/18**	**Planned strategic target 2018/19**	**Actual achievement 2018/19**	**Deviation from planned target to actual achievement for 2018/19**	**Comment on deviations**
2.1 Manage free and fair elections in accordance with the applicable electoral timetables to ensure the efficient and credible execution of the mandate of the Electoral Commission.	2.1.1	Average number of calendar days in which elections are conducted from date of vacancy in each year covered by this plan. The date of the vacancy is the date on which the Electoral Commission receives the up-to-date notification (unless the matter is still active in the court).	106 days for by-elections	Within 90 days for by-elections	82 days for by-elections	8 days ahead of target	**Target achieved.** All 100 by-elections were held within 90 days, with the average days to fill the ward vacancies being 82 days.
	2.1.2	Average number of calendar days in which to replace proportional representation (PR) seat vacancies in each year covered by this plan. The date of the vacancy is the date on which the Electoral Commission receives an up-to-date notification (unless the matter is still active in the court).	Within 13 days	Within 35 days	19 days	16 days ahead of target	**Target achieved.** The Department was more efficient than the target set at 35 days.
	2.1.3	Number of calendar days in which election results for each election is announced by the Electoral Commission in each year covered by this plan.	95 by-elections six days ahead of the deadline and 36 by-elections within five days ahead of the deadline	By-elections within seven days	99 by-elections within one day, and one by-election within five days	99 by-elections six days ahead of the deadline and one by-election within two days ahead of the deadline	**Target achieved.** All 100 by-election results were announced in less than the legislated timeframe.
	2.1.4	Number of elections set aside in each year covered by this plan.	0 (None)	0 (None)	Two elections	(Two elections set aside)	**Target not achieved.** The Electoral Court set aside two by-elections: the results of a by-election in Ward 7 (Dr JS Moroka Municipality) on 10 October 2018 and the results of a by-election in Ward 4 (Mtubatuba Municipality) on 4 December 2018.
2.2 Maintain an accurate national common voters' roll to ensure the credibility of elections.	2.2.1	Number of registered voters reflected on the voters' roll as at 31 March each year.	26 253 822	27 653 320	26 749 557	(903 763)	**Target not achieved.** Although the target set was not achieved by 903 763 registered voters, the actual number reflects a net increase of 1.9% or 495 735 registered voters compared to the previous year.

Programme 2: Electoral Operations							
Strategic objective	**Reference**	**Performance indicator**	**Actual achievement 2017/18**	**Planned strategic target 2018/19**	**Actual achievement 2018/19**	**Deviation from planned target to actual achievement for 2018/19**	**Comment on deviations**
2.2 Maintain an accurate national common voters' roll to ensure the credibility of elections.	2.2.2	The number of registered voters who appeared on the voters' roll for whom the Electoral Commission does not have a recorded address as at 31 March of each year covered by this plan.	N/A	1 600 000	3 882 733	2 282 733	**Target not achieved.** There are 1 411 487 million voters on the voters' roll without an address. There are an additional 2 471 246 voters with potentially incomplete addresses. An additional analysis of the potentially incomplete addresses is ongoing to determine possible complete addresses.
2.3 Ensure efficient election delivery by the timely establishment of accessible and suitable voting facilities and processes and by applying infrastructure and logistical resources to meet operational demands for main electoral events.	2.3.1	Number of contracted voting stations in place on main registration weekends or general election days in the years where applicable.	22 617	23 000	22 924	76	**Target not achieved.** Although the target was not achieved, a more efficient procedure to occasion convenience on the part of the voter was emphasised in the reporting period (the voting centre concept that inherently militates against the establishment of new voting districts where this is not desirable or warranted).
	2.3.2	Timely sourced electoral materials in accordance with the approved MRP and BOM delivered to voting stations for each main electoral event (i.e. national and provincial elections, and local government elections).	100% of 22 617 voting stations achieved	100% of 23 000 voting stations achieved	100% of 22 924 voting stations achieved	–	**Target achieved.** 100% of voting stations achieved.
2.4 Provide consultative and cooperative liaison platforms between the Electoral Commission and political parties to facilitate free and fair elections.	2.4.1	Number of liaison sessions held with members of party liaison committees (PLCs) at national (1), provincial (9) and municipal (213) levels per annum.	(1 285 liaison sessions) 7 national 47 provincial 1 231 local	(1 784 liaison sessions) 8 national 72 provincial 1 704 local	(2 084 liaison sessions) 9 national 59 provincial 2 016 local	(300 liaison sessions) 1 national -13 provincial 312 local	**Target achieved.** The number of liaison sessions exceeded the target by 300 sessions overall. Owing to the increase in the number of new political parties contesting elections for the first time in NPE 2019, it was necessary to hold localised sessions. These are typically organised at a district or local municipality level. PLCs are also scheduled to deal with preparations for by-elections. In the reporting period, there has been an increase in the number of by-elections, which contributed to most meetings being convened at a local as opposed to provincial level. There were 100 by-elections in the course of the financial year.
2.5 Strive for excellence at voting station level to enhance the integrity of elections and to enable the Electoral Commission to deliver on its mandate.	2.5.1	Number of electoral staff recruited and trained per annum.	67 289	56 850	68 276	11 426	**Target achieved.** The deviation (difference of 11 426) is due to requests prior to the event for additional staff in high-risk areas, as well as the increase in the number of staff recruited and trained to assist with the harvesting of addresses for the voters' roll during the January 2019 registration weekend.

ELECTORAL MATTERS

Voting district delimitation

The Electoral Act requires the Electoral Commission to compile and maintain a voters' roll. To facilitate this, the Electoral Commission delimits voting districts. This entails the creation of manageable geographic entities to enable registration and electoral processes. A voter is required to register to vote in a voting district in a ward in which he or she is ordinarily resident (the place to which the person returns after a period of temporary absence). Each voting district is serviced by one voting station. A registered voter will only find his or her name on the voting district segment of the voters' roll at which he or she applied to register to vote.

Delimitation is undertaken to:

- ensure that voters have reasonable access to voting stations and are not required to wait at their voting station for unreasonable periods of time to vote;
- ensure that voters do not vote more than once in an election;
- align voting district boundaries to both municipal and ward boundaries; and
- assist the Electoral Commission with elections staff and material planning.

The number of voting districts (and hence voting stations) has increased by 56% since the 1999 elections, from 14 650 voting districts in 1999 to 22 924 voting districts as at 31 March 2019. Provinces with the greatest increase in voting districts over this period include the predominantly rural provinces of Northern Cape, Mpumalanga, Eastern Cape and Limpopo. The number of voting districts in provinces with large urban concentrations of registered voters, such as Gauteng and Western Cape, increased at a more moderate rate. During the period under review, the number of voting districts remained relatively stable as the period included preparations for NPE 2019 during which limited voting district re-delimitation was undertaken ahead of the registration weekend of 26 to 27 January 2019. In recent election cycles, the Electoral Commission has introduced and is perfecting the concept of voting centres. This inherently mitigates against the establishment of new voting districts where this is not desirable. This is typical in urban centres with concentrations of voters in small geographic spaces.

***Table 8:** Number of voting districts on 31 March 2018 compared to 31 March 2019*

Province	Voting districts: 31 March 2018	Voting districts: 31 March 2019
Eastern Cape	4 699	4 791
Free State	1 531	1 529
Gauteng	2 717	2 771
KwaZulu-Natal	4 794	4 885
Limpopo	3 112	3 157
Mpumalanga	1 744	1 772
North West	1 724	1 733
Northern Cape	710	707
Western Cape	1 586	1 579
Total	**22 617**	**22 924**

Voters' roll and registration statistics

At the commencement of the reporting period on 1 April 2018, there were 26 253 822 voters on the roll. At the end of the reporting period, on 31 March 2019, the voters' roll reflected a net increase of 1.89% or 495 735 voters. The increase was after the rate of mortality had been accounted for over the period under review. It is estimated that the voters' roll reduces on average by 30 000 voters per month due to deaths.

The table below tracks the growth of the voters' roll over three financial years.

***Table 9:** Changes to the voters' roll*

Province	March 2017	March 2018	March 2019	Change	Percentage change
Eastern Cape	3 298 396	3 323 355	3 363 161	39 806	1.20%
Free State	1 453 530	1 450 967	1 462 508	11 541	0.80%
Gauteng	6 182 766	6 225 254	6 381 220	155 966	2.51%
KwaZulu-Natal	5 371 336	5 401 795	5 524 666	122 871	2.27%
Limpopo	2 538 247	2 572 705	2 608 460	35 755	1.39%
Mpumalanga	1 901 845	1 915 977	1 951 776	35 799	1.87%
North West	1 697 340	1 695 756	1 702 728	6 972	0.41%
Northern Cape	614 044	615 308	626 471	11 163	1.81%
Western Cape	3 042 270	3 052 705	3 128 567	75 862	2.49%
Total	**26 099 774**	**26 253 822**	**26 749 557**	**495 735**	**1.89%**

General voter registration

A final general voter registration weekend was organised over the weekend of 26 and 27 January 2019. Over that weekend, the Electoral Commission opened 22 924 registration stations across the country to enable eligible voters to register to vote, and to provide or confirm their address details on the voters' roll. During that weekend, the Electoral Commission interacted with 2 472 520 citizens. Of the total, 703 794 (or 28%) were persons who were registering as voters for the first time, and 1 078 416 (or 43.62%) were voters who were updating their registration details. This is indicative of the fact that the message calling on voters to check and update their registration and address details found resonance with voters. The high-density provinces of Gauteng and KwaZulu-Natal continue to account for the highest registration activity, with 47% of the total activity recorded in those two provinces.

***Table 10:** Registration activity for the weekend of 26 and 27 January 2019*

Registration weekend activity: 26 and 27 January 2019								
Province	**New registrations**	**Percentage of total provincial activity**	**Re-registrations (different voting districts)**	**Percentage of total provincial activity**	**Re-registrations (same voting district)**	**Percentage of total provincial activity**	**Total provincial activity**	**Percentage of total activity**
Eastern Cape	84 604	23.57%	137 923	38.43%	136 352	37.99%	358 879	14.51%
Free State	33 294	24.61%	56 520	41.77%	45 498	33.62%	135 312	5.47%
Gauteng	176 953	32.14%	300 457	54.57%	73 199	13.29%	550 609	22.27%
KwaZulu-Natal	179 097	28.79%	235 065	37.79%	207 939	33.43%	622 101	25.16%
Limpopo	55 883	25.39%	73 792	33.53%	90 397	41.08%	220 072	8.90%
Mpumalanga	51 328	27.91%	75 463	41.03%	57 146	31.07%	183 937	7.44%
North West	31 819	24.62%	56 120	43.42%	41 306	31.96%	129 245	5.23%
Northern Cape	16 416	32.61%	21 221	42.15%	12 709	25.24%	50 346	2.04%
Western Cape	74 400	33.51%	121 855	54.88%	25 764	11.60%	222 019	8.98%
Total	**703 794**	**28.46%**	**1 078 416**	**43.62%**	**690 310**	**27.92%**	**2 472 520**	**100.00%**

A prominent feature of the registration weekend was that 574 899 (or 82%) of the 703 794 new registrations were young persons in the age cohort 16–29 years of age. This may indicate that the youth connected with the purposeful "Xsê" youth-based campaign. An already entrenched pattern of more females than males being registered as voters perpetuates, with the majority of first-time voters being female.

***Table 11:** New registrations by age and gender*

New registrations for 26 and 27 January 2019 registration weekend by age and gender						
Age group	Female	Percentage of total new registrations in age group	Male	Percentage of total new registrations in age group	Total of new registrations in age group	Percentage of total new registrations
≥ 16 ≤ 17	17 756	55.76%	14 087	44.24%	31 843	4.52%
≥ 18 ≤ 19	100 136	54.63%	83 155	45.37%	183 291	26.04%
≥ 20 ≤ 29	187 430	52.10%	172 335	47.90%	359 765	51.12%
≥ 30 ≤ 40	33 861	43.14%	44 626	56.86%	78 487	11.15%
≥ 40 ≤ 50	8 789	39.24%	13 609	60.76%	22 398	3.18%
≥ 50 ≤ 60	6 715	43.42%	8 752	56.58%	15 467	2.20%
≥ 60	6 399	51.02%	6 144	48.98%	12 543	1.78%
Total	**361 086**	**51.31%**	**342 708**	**48.69%**	**703 794**	**100.00%**

Figure 18: New registrations by age and gender

The geography of new registrations shows that provinces tended to attract new registrations in proportion to their overall population sizes, with the largest provinces attracting the highest number of new registrations (Gauteng, KwaZulu-Natal and Eastern Cape).

***Table 12:** New registrations for registration weekend on 26 and 27 January 2019 by province and gender*

Province	Female	Percentage of total new registrations in province	Male	Percentage of total new registrations in province	Total new registrations in province	Percentage of total new registration activity
Eastern Cape	42 276	49.97%	42 328	50.03%	84 604	12.02%
Free State	17 031	51.15%	16 263	48.85%	33 294	4.73%
Gauteng	90 619	51.21%	86 334	48.79%	176 953	25.14%
KwaZulu-Natal	91 998	51.37%	87 099	48.63%	179 097	25.45%
Limpopo	29 472	52.74%	26 411	47.26%	55 883	7.94%
Mpumalanga	26 345	51.33%	24 983	48.67%	51 328	7.29%
North West	16 122	50.67%	15 697	49.33%	31 819	4.52%
Northern Cape	8 180	49.83%	8 236	50.17%	16 416	2.33%
Western Cape	39 043	52.48%	35 357	47.52%	74 400	10.57%
Total	**361 086**	**51.31%**	**342 708**	**48.69%**	**703 794**	**100.00%**

Click, check and confirm

As part of the initiatives to increase address details reflected against voters' names on the voters' roll, the Electoral Commission introduced an online platform colloquially referred to as "Click, check and confirm".

This platform was accessible on both the official website and on a mobile application. It allowed registered voters to capture and update their address details for inclusion on the voters' roll. In the period under review, an estimated 150 000 voters used the facility to update their address details.

Out-of-country registrations

The Electoral Act enjoins the Electoral Commission to register South Africans who are outside of the country to vote in the national elections. The Electoral Commission facilitates this by maintaining an "international segment" on the common voters' roll. The registration of voters abroad is facilitated by the Department of International Relations and Cooperation (DIRCO) on a continuous basis in the Republic's missions abroad. The Electoral Commission, in cooperation with DIRCO, provided a focused opportunity over a two-day period for South Africans outside the country to register at the 122 South African missions abroad between 1 and 4 February 2019. In that period 1 522 voters were registered.

Registration of prisoners

Since the Constitutional Court decision in *Minister of Home Affairs v National Institute for Crime Prevention and the Re-integration of Offenders (NICRO) 2005 (3) SA 280 (CC)*, the Electoral Commission is obliged to take measures to facilitate the registration of prisoners to enable their participation in national and provincial elections. Ahead of the 2019 elections, the Electoral Commission, in conjunction with the Department of Correctional Services, undertook registration drives in all 235 correctional centres. A total of 13 405 offenders were registered and were thus eligible to participate in the elections.

Liaison with political parties

The Electoral Commission maintains liaison platforms with political parties to facilitate free and fair elections. To this end, the Electoral Commission maintains Party Liaison committees at national, provincial and municipal level. These PLCs serve as vehicles for consultation and cooperation between the Electoral Commission and the represented political parties. A total of 2 074 PLC meetings were realised in the period under review. This translated into 290 more meetings than were planned.

The performance was a reflection of the increased activity in the build-up to the national and provincial elections that would take place in the first quarter of the following financial year. Activities such as delimitation, targeted communication and registration, the national registration weekend and candidate nomination, which require consultation with political parties, contributed, in particular, to the set target being exceeded. There was also a marked increase in the number of parties participating in PLCs. For instance, the national PLC alone grew from 15 political parties, including those that had been co-opted, to 48 parties that were eligible to contest the elections in 2019.

***Table 13:** PLC meetings by level in 2018/19*

Province	National	Provincial	Municipal	Total
Eastern Cape		1	318	319
Free State		8	179	187
Gauteng		8	74	82
KwaZulu-Natal		6	434	440
Limpopo		9	221	230
Mpumalanga		7	178	185
North West		7	167	174
Northern Cape		3	211	214
Western Cape		2	232	234
National Office	9			**9**
Total	**9**	**51**	**2 014**	**2 074**

Registration of political parties

Due to the increased interest in NPE 2019, a number of parties applied to register in the period under review. In total, 69 parties were registered, with 67 parties applying to be registered at national level, and only two parties registered at municipal level.

The total number of political parties on the party register as it now stands is 606, of which 100 are represented across all legislative bodies and 506 are unrepresented parties. Of the 100 represented parties, 60 are registered nationally and 40 are registered at a municipal level.

Proportional representation councilor replacements

The Local Government Municipal Structures Act prescribes that a councillor elected on a PR basis from a party list onto a local council and who ceases to hold office must be replaced from that party's reserve list of candidates. The Chief Electoral Officer (CEO) must declare, in writing, the person at the top of the party's list of candidates as elected. A party may amend its candidate list within 21 days of the vacancy occurring. The person at the top of the candidate list must be declared elected within 14 days after the expiration of the 21 days. A total of 303 PR replacements were processed between 1 April 2018 and 31 March 2019.

Table 14: Reasons for PR vacancies in 2018/19

Province	Councillor expulsion	Councillor resignation	Death of Councillor	Other	Total
Eastern Cape	5	31	7	6	49
Free State	2	10	9	1	22
Gauteng	0	17	8	4	29
KwaZulu-Natal	5	21	14	16	56
Limpopo	4	8	0	0	12
Mpumalanga	8	17	2	3	30
North West	15	4	6	3	28
Northern Cape	7	12	2	8	29
Western Cape	7	27	2	12	48
Total	**53**	**147**	**50**	**53**	**303**

By-elections

A total of 100 by-elections to fill municipal ward vacancies were conducted during the year. The table below provides a historical overview of the number of by-elections held each year since 2009/10.

Table 15: Comparison of total number of by-elections from 2009/10 to 2018/19

Financial year	Total number of by-elections
2009/10	139
2010/11	126
2011/12	76
2012/13	63
2013/14	134
2014/15	228
2015/16	93
2016/17	25
2017/18	131
2018/19	100

The number of by-elections conducted in 2018/19 shows a decrease compared with 2017/18 owing to the dissolution, during 2017/18, of two local councils (Nqutu in KwaZulu-Natal and Metsimaholo in the Free State). This necessitated by-elections to fill all the PR and ward seats on the local municipal councils. There were no dissolved municipal council by-elections in 2018/19. Over the past 10-year period, the average number of by-elections per year stands at 111. The number of by-elections during 2018/19 (100) is thus in line with the ten-year average.

Ward vacancies are required by law to be filled within 90 days of the date on which the vacancy occurs. Of the total of 100 vacancies, all were filled within 90 days.

On average, the 100 ward vacancies were filled within 82 days. This is an average of eight days less than the 90 days that is required by law.

The Electoral Court set aside two by-elections during 2018/19: Ward 4 (Mtubatuba Municipality) and Ward 7 (Dr JS Moroka Municipality).

The reasons for the 100 ward vacancies in the period under review are shown below.

Table 16: Reasons for ward vacancies in 2018/19

Reason for ward vacancy	Number (and percentage) of ward vacancies
Death of councillor	48 (48%)
Resignation of councillor	42 (42%)
Termination of councillor's membership by party	9 (9%)
Result set aside by Electoral Court	1 (1%)
Total	100 (100%)

Details of the by-elections conducted, as well as the number of associated voting districts and registered voters, are presented in the following table.

Table 17: Number of by-elections from 1 April 2018 to 31 March 2019

Province	Number of by-elections	Number of voting districts	Number of wards	Number of registered voters
Eastern Cape	13	81	13	59 793
Free State	7	27	7	33 566
Gauteng	10	50	10	136 842
KwaZulu-Natal	23	126	23	148 451
Limpopo	5	37	5	22 718
Mpumalanga	7	21	7	28 153
North West	10	33	10	38 246
Northern Cape	9	24	9	30 300
Western Cape	16	59	16	98 469
Total	**100**	**458**	**100**	**596 538**

In terms of the Local Government Municipal Electoral Act, the Electoral Commission is required to announce election results within seven days of an election. The results of all 100 by-elections were announced within seven days of the by-elections, with 99 by-election results announced the day after the by-election and one by-election result announced five days after the by-election.

LOGISTICS AND INFRASTRUCTURE

Electronic support systems

The Electoral Commission's Logistics Information System (LIS) is a computerised system used for the planning, monitoring, management and control of electoral material at voting station level. A comprehensive BOM is created for each electoral event. By registering the BOM on the LIS, detailed Materials Requirement Plan (MRP) lists are produced to enable the accurate procurement and distribution of electoral material. The LIS information is accessible internally to all levels of the organisation (national, provincial and municipal), providing a transparent planning and monitoring process.

Distribution network

The Electoral Commission's logistics distribution network 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 distribution network in the interests of cost containment. Contracted-in resources, such as human capacity and vehicles, are utilised as and when needed at the appropriate scale. These resources and support activities were appropriately escalated to handle the logistical demands of the national voter registration weekend on 26 and 27 January 2019 and ahead of voting day.

Storage facilities for electoral material at the local (municipal) level are required for a limited time during peak election activity periods, such as national registration weekends and voting day.

These facilities can be in the form of a basic storeroom, storage shed or container, depending on the prevailing volume needs and adequate security measures. Local storage facilities were procured and activated as needed during the period under review.

Programmable Barcode Scanner Unit fleet

The Electoral Commission holds a fleet of almost 32 000 programmable barcode scanner units (PBSUs) (also known as zip-zips). The primary function of these units is to capture voter registration information. The units were procured in 2008 and have attained an advanced age by the average technological norms.

In order to ensure sustained operational effectiveness of the units, the Electoral Commission entered into a maintenance contract with a specialised technical service provider to ensure the regular testing, servicing and essential maintenance of these units. All the units were operationally prepared and successfully deployed to all voting stations for the registration weekend on 26 and 27 January 2019.

The PBSUs are also utilised at voting stations during voting procedures to capture and record voter participation details, as well as to provide the sequential number of the voter on the voters' roll.

Voting stations infrastructure

Voting stations provide an essential platform for the delivery of elections. The voting station network as at 31 March 2019 comprised 22 924 voting stations compared to the 22 617 voting stations during the address harvesting weekend (10 and 11 March 2018)

and the 22 612 voting station during LGE 2016. The voting station network has therefore remained stable with only a 1% increase in the number of voting stations since LGE 2016.

Although the trend of a stable voting station network is expected to continue into the future, factors such as population growth, new settlement patterns, the requirement of improving voter accessibility, as well as revised municipal demarcation data, will continue to contribute to the need for increasing the voting station footprint.

One voting station is identified for each voting district, and operational details are recorded and regularly updated. Fixed and permanent structures, especially schools, are preferred as voting stations. The voting station network as at 31 March 2019 comprised 63% schools, a 1% decrease from LGE 2016. Temporary voting stations have reduced significantly from 1 219 (in LGE 2016) to 1 046 (as at 31 March 2019). This represents a 14% decrease since LGE 2016.

The practice of securing voting stations through standardised lease agreements between the Electoral Commission and landlords continues. Average rental for voting stations is R615 per event (to cover landlords' overheads such as electricity, water and other domestic usage).

There has been no further increase to the maximum guideline rental of voting stations since LGE 2016 due to budget constraints.

A breakdown of the types of voting stations utilised for the registration weekend for NPE 2019 (26 and 27 January 2019) and as at 31 March 2019 is illustrated in the table below.

***Table 18:** Voting stations*

Province	Voting districts	Permanent voting stations	Schools	Temporary voting stations	Mobile voting stations
Eastern Cape	4791	4 669	74%	119	3
Free State	1 529	1 381	44%	148	0
Gauteng	2 771	2 476	51%	295	0
KwaZulu-Natal	4 885	4 760	71%	116	9
Limpopo	3 157	3 019	76%	138	0
Mpumalanga	1 772	1 694	60%	65	13
North West	1 733	1 604	54%	126	3
Northern Cape	707	703	32%	4	0
Western Cape	1 579	1 543	42%	35	1
Total	**22 924**	**21 849**	**63%**	**1 046**	**29**

The Electoral Commission, through various interdepartmental task teams and other joint 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.

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.

Voting station infrastructure was furthermore maintained and activated periodically to support by-elections as they occurred during the year. When a by-election is held in a ward, the voting stations in that ward are opened. The following table illustrates the general challenges relating to the availability of key facilities at voting stations at the end of 2018/19:

Table 19: Voting station facilities

Province	Without electricity	Without water	Without sanitation	Without GSM coverage
Eastern Cape	541	459	278	9
Free State	319	281	294	0
Gauteng	597	568	576	0
KwaZulu-Natal	482	817	242	0
Limpopo	182	269	206	4
Mpumalanga	126	160	120	1
North West	209	209	211	0
Northern Cape	104	107	104	48
Western Cape	139	140	142	14
Total	**2 699**	**3 010**	**2 173**	**76**

Logistical support for by-elections

By-elections throughout the year were supported with logistics activities and materials. The ballot paper generation (BPG) system creates the images of individual ballot papers and result slips for each ward by-election, and these are printed in the correct controlled quantities. A BOM and an MRP for each ward by-election were created on the LIS. The general material supply chain for by-elections was managed, including the procurement, quality control, distribution and overall monitoring of electoral material. All inventories were replenished on time and within budget. The Electoral Commission's PBSUs were also deployed for the purposes of by-election voter registration and voting day support at voting stations.

Local 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 213 municipalities throughout the country to provide services 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. 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 213 municipalities in the country. MEOs are typically 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 election-related 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, however, directly involved in day-to-day operational matters.

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

Linking performance with budgets

Programme	2018/19			2017/18		
	Budget	Actual expenditure	(Over-)/under-expenditure	Budget	Actual expenditure	(Over-)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Electoral Operations	1 042 366	769 359	273 007	656 995	649 697	7 298

3.3 PROGRAMME 3: OUTREACH

Programme 3 supports the achievement of Strategic Outcome-oriented Goal 3.

Outreach encompasses Civic and Democracy Education, Communications and Media Relations, Research and Knowledge Management, and Stakeholder Engagement.

Civic and Electoral Democracy Education informs and educates the public on electoral democracy with a view to strengthening participation in electoral processes.

Research and Knowledge Management collects, collates and analyses available data to inform organisational planning and other strategic decision-making processes. This includes tracking emerging trends (perceptions and attitudes) in the social context that assist the Electoral Commission to plan and determine its response.

It also considers the latest developments in democratic elections administration.

Knowledge Management also performs an important archiving function within the organisation.

Communications and Media Relations actively supports the Electoral Commission's efforts to strengthen electoral democracy and ensure free and fair elections through strategic communication with all stakeholders, including registered and eligible voters, political parties and candidates, the media, and other key stakeholder groups.

It seeks to ensure a high level of knowledge and understanding of the electoral democracy process and the ongoing work of the Electoral Commission to enhance participation and understanding, and to protect the reputation of the Electoral Commission.

Stakeholder Engagement seeks to establish and maintain open and fruitful relationships with key stakeholders internationally and nationally in order to promote collaboration and partnerships in support of shared objectives.

Strategic objectives

Strategic Objective 3.1	Encourage the electorate's engagement with and participation in electoral processes in order to facilitate the right to vote as enshrined in the Constitution.
Strategic Objective 3.2	Achieve a low rate of spoilt ballots as a measure of the effectiveness of balloting education.
Strategic Objective 3.3	Enhance the Electoral Commission's reputation as a credible and trustworthy electoral management body.
Strategic Objective 3.4	Provide thought leadership in the field of electoral management and related fields as per Vision 2018 in order to strengthen electoral democracy.

Strategic objectives, key performance indicators, planned targets and actual achievements

Programme 3: Outreach							
Strategic objective	**Reference**	**Performance indicator**	**Actual achievement 2017/18**	**Planned strategic target 2018/19**	**Actual achievement 2018/19**	**Deviation from planned target to actual achievement for 2018/19**	**Comment on deviations**
3.1 Encourage the electorate's engagement with and participation in electoral processes in order to facilitate the right to vote as enshrined in the Constitution.	3.1.1	Number of voters who turn out to vote in national and local government elections, as a percentage of registered voters in years when applicable	N/A	N/A	N/A	N/A	**Target not applicable** in the year under review.
	3.1.2	Number of civic and democracy education (CDE) events held per year	48 449	45 000	82 388	37 388	**Target achieved.** Provincial and local offices intensified efforts to conduct CDE in support of the January registration drive, the need to achieve a high voter turnout and to deliver more balloting education to decrease the number of spoilt ballots towards NPE 2019. The annual target was thus exceeded by 37 388 events.
	3.1.3	Audience reached by civic and democracy education programmes through television and radio in each year covered by the Annual Performance Plan	N/A	6 400 000 (2 400 000 TAMS and 4 000 000 RAMS)	7 659 980 (977 980 TAMS and 6 682 000 RAMS)	1 259 980 (1 422 020 TAMS and 2 682 000 RAMS)	**TAMS: Not achieved.** Four television education slots were planned for the fiscal. Only one, One Day Leader, was feasible for delivery within the timeframes. **RAMS: Achieved.** Youth radio stations attracted higher than usual listenership leading up to NPE 2019. Target exceeded by 67% **Overall target achieved.**
	3.1.4	Public perceptions held of the Electoral Commission as evidenced by the media reports for each year covered by the Annual Performance Plan	98.3% positive/ neutral achieved	80% positive/ neutral achievement	97% positive/ neutral achievement	17% positive/neutral	**Target achieved.** The overall public perception remained positive or neutral.
3.2 Achieve a low rate of spoilt ballots as a measure of the effectiveness of balloting education.	3.2.1	Recorded number of spoilt ballots in national and local government elections in the years when applicable	N/A	N/A	N/A	N/A	N/A
3.3 Enhance the Electoral Commission's reputation as a credible and trustworthy electoral management body.	3.3.1	Number of interactions/liaisons internationally achieved per annum	30	20	20	–	**Target achieved.**
3.4 Provide thought leadership in the field of electoral management and related fields as per Vision 2018 in order to strengthen electoral democracy.	3.4.1	The number of research and thought leadership initiatives achieved per annum	4	4	4	–	**Target achieved.**

CIVIC AND DEMOCRACY EDUCATION

Addressing youth participation

Against the backdrop of South Africa's relatively young population (over 66% of the population is under 35 years of age according to Statistics South Africa's mid-year population estimates in July 2017), young and first-time voters are a key focus area of the Electoral Commission's education initiatives.

Two key programmes undertaken during the period under review that focus on the youth were Schools Democracy Week and a partnership with the Law Society of South Africa to promote civic and democracy awareness among young legal professionals.

Schools Democracy Week 2018

Since 2013, the Schools Democracy Programme, an essential strategic partnership between the Electoral Commission and the Department of Basic Education, has grown from strength to strength, with the annual Schools Democracy Week entrenched as a highlight on the Electoral Commission's calendar. The high-profile national launch of the sixth annual Schools Democracy Week was held at the KwaMhlanga Showgrounds in Nkangala, Mpumalanga, on 17 April 2018.

Themed "Strengthen our democracy through voting", the event was presided over by the Honourable Minister of Basic Education, Ms Angie Motshekga, and the Vice-Chairperson of the Electoral Commission, Commissioner Terry Tselane. The 1 200 exuberant youth from six schools in the Nkangala district were, without a doubt, the most important people there. School choirs recited the Preamble to the Constitution and entertained the audience.

Electoral Commission CEO, Sy Mamabolo, paid tribute to their singing, reminding learners that Schools Democracy Week is about more than voter education, learning to register to vote and learning to complete a ballot paper.

It is about entrenching the values and rights of the Constitution and promoting responsible and active citizenship among all South Africans.

Vice-Chairperson, Commissioner Terry Tselane, urged the youngsters in attendance to register and participate in democratic processes, offering them eight reasons to vote in the upcoming NPE 2019:

1. Because young people can change the outcome. South Africa has one of the youngest populations in the world. Over 30% of the population is younger than 15 years of age and over 58% is under 30 years old, which means that young people have the power to determine the outcome of an election in their hands, if they just use this power at the voting stations.

2. Because no one cares about youth issues except the youth. Statistics show that older voters are more likely to vote, which means their concerns and issues are likely to dominate the political agenda. By exercising their considerable voting power, young people can make sure that issues of relevance and importance to them are placed – and kept – on the agenda.

3. If you do not vote, you cannot complain. If you do not vote, you are stuck with other people's choices; you cannot even complain because you let it happen. By participating in the electoral process – as voters, candidates, activists and observers – you not only get a say in the elections, but in how things are done for the next five years.

4. Because you can. By simply presenting yourself at a registration station with your identity card or document during a registration event puts you on the voters' roll for life – and it allows you to vote in every general election and by-election in your area.

5. Democracy needs you, Democracy only works if people participate.

6. There has never been a generation with more information about politics and elections. Technology and connectivity mean that the youth are probably the best informed and best equipped to vote in history. Social media is giving young people access to information that previous generations of voters did not have – and still do not have.

7. FOMO – Fear of Missing Out. When your friends are all tweeting from the voting station on voting day, you are going to feel like the odd one out. Be cool – vote!

8. Five years is a long time. If you are thinking that right now you have better things to do with your time and you will vote next time, think again! Five years is a long time to be stuck with something you do not want or that you think does not work, particularly in government.

Nine provincial Schools Democracy Week events were held, which were further replicated in the districts. A total of 123 schools were visited during the week. In all the provinces, there was close cooperation with the Department of Basic Education.

This event remains a key event in the calendar of the school-based civic education programme of the Department of Basic Education, supported by the Electoral Commission.

In conclusion, the 2019 Voter Participation Survey confirms that getting young South Africans registered is key to removing electoral barriers and is an important step in ensuring a culture of voting among youth, many of whom have not previously voted in a national election.

Community mobilisation for NPE 2019

Research has highlighted the importance of face-to-face outreach work, because direct and personal interaction with voters is more likely to influence and galvanise voters to register and get to the polls.

Through direct and personal interaction with voters, the Community Outreach and Mobilisation Programme seeks to:

- Promote democracy development and education (address the question: "Why should I participate/ care?")
- Improve knowledge and understanding of the electoral processes (voter education: "How and when do I participate?")
- Improve knowledge and understanding of a specific election event (balloting education: "How do I participate effectively?" "What can I expect on voting day?"

Ahead of NPE 2019, the Electoral Commission recruited and deployed 1 669 facilitators at municipal and ward level to conduct face-to-face civic and democracy education with targeted audiences in diverse communities in all provinces.

One municipal outreach coordinator was employed per local municipality and four per metropolitan municipality. Furthermore, one democracy education facilitator was assigned three wards with a dedicated team of facilitators drawn from the disability sector.

This initiative was introduced in 2019 to focus on increasing access to the vote for persons with disabilities in each province.

Table 20: *The allocation of municipal outreach coordinators and democracy education facilitators for NPE 2019*

Province	Number of municipalities	Number of wards	Municipal outreach coordinators	Democracy education facilitators	Dedicated democracy education facilitators in the disability sector	Total
Eastern Cape	33	705	39	235	9	244
Free State	19	309	22	103	6	109
Gauteng	9	529	18	206	6	212
KwaZulu-Natal	44	870	47	300	12	312
Limpopo	22	566	22	187	6	193
Mpumalanga	17	400	17	134	4	138
North West	18	407	18	181	5	186
Northern Cape	26	204	26	128	6	134
Western Cape	25	402	28	134	7	141
Total	**213**		**237**	**1 608**	**61**	**1 669**

Municipal outreach coordinators were contracted from 1 November 2018 until 31 May 2019. Democracy education facilitators commenced duty from 2 January 2019 and will be in the field until 30 April 2019.

The importance of their work is highlighted and included in the actual annual performance of education interventions as a key performance target for the Electoral Commission in its APP. Educational events are planned and captured in an ICT system, the Outreach Management System (OMS), which is designed to generate management data that shows the scope and reach of educational events, as well as to perform quality assurance on the work of Civic and Democracy Education.

Geospatial maps of outreach events drawn from the OMS are regularly tabled at the National Political Liaison Committee (NPLC). The maps serve as reports on the provision and reach of CDE across the country. The map below illustrates the 82 388 events held in the year under review. Each event reached at least 20 people.

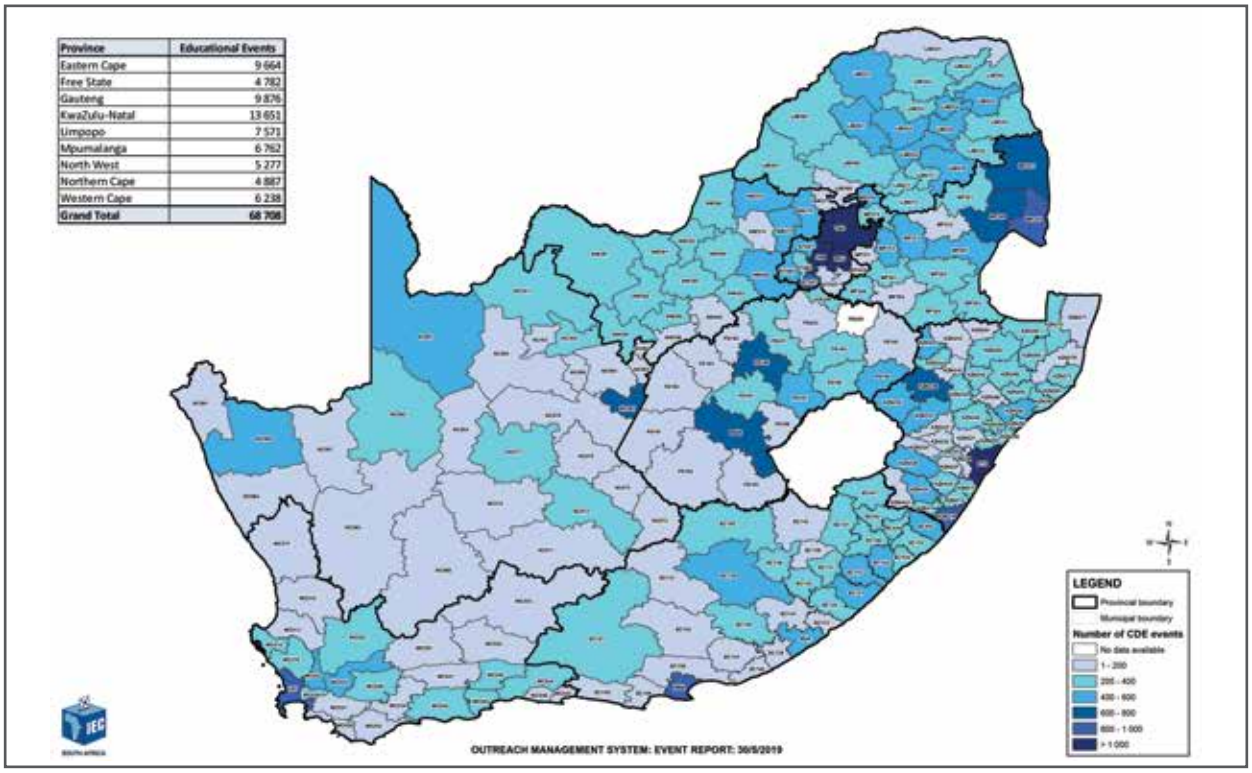


Figure 20: Civic and democracy education events held in the fourth quarter of 2018/19

National stakeholder briefings and consultative events

In fulfilment of its mandate, the Electoral Commission has a range of key stakeholder groupings that need to be consulted, briefed and informed about electoral activities and processes. Election management bodies face the formidable challenge of ensuring that all stakeholders have trust in the electoral process and perceive and experience them as credible institutions.

The Electoral Commission's stakeholders include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, politicians, religious leaders, civil society organisations (CSOs) (an umbrella term for non-governmental, non-profit organisations, community-based organisations and faith-based organisations), groups with special interests and needs, the academic community, the private sector, business, other Chapter 9 institutions, traditional leadership structures, statutory bodies, the media, state departments and organised labour.

Both the Electoral Commission and stakeholders benefit through their engagements and briefings. Sustainability is promoted by fostering collaboration with institutions, stakeholders, diverse target audiences and partners. Thought leadership is enabled through the identification and deliberate development of new ideas, content and concepts, and gaps in action and thinking.

During the fiscal year, the Commission embarked on the lengthy process of engagement with key stakeholder ahead of NPE 2019. These meetings are critical to ensure the buy-in and support of all stakeholders for elections.

Stakeholders were reminded that promoting voter education and a conducive climate for free and fair elections is not the job of the Electoral Commission alone. It is the task of every South African, young and old, for each and every stakeholder in our electoral democracy, public and private sector, civil society and the media. Only by working together and taking collective responsibility can South Africa continue to advance the gains made over the past 24 years since the first democratic dispensation.

Multimedia civic and democracy education: extending the reach of CDE to improve access to the vote

The Electoral Commission once again formalised its partnership with SABC Education to gain extended reach on television, radio and social media platforms, and to develop compelling co-branded educational content. The 2018/19 Voter Participation Survey revealed that radio and television continue to be powerful and preferred vehicles for voter education. The SABC reaches over 20 million South Africans through 19 radio stations and three television stations.

One Day Leader is a reality television series on SABC 1 that showcases youth leadership and builds strategic and intellectual skills through debate. In a democracy, the skill to listen and argue a point without resorting to violence is crucial for building a conducive climate for free and fair elections. One Day Leader imparts those skills to the viewers of SABC 1. The format is a relatively new concept worldwide. Canada, China and Kenya are some of the countries that have developed and produced similar shows.

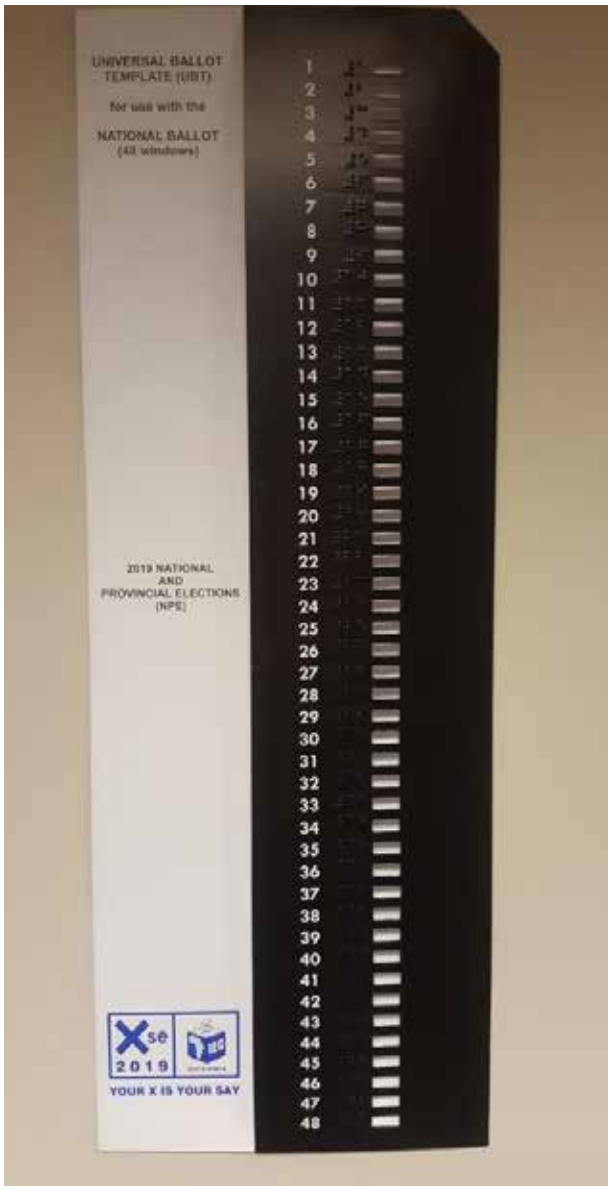
As part of educational television programming, two episodes of the show focused on the forthcoming NPE 2019, showcasing young leaders debating the role of voting in our lives, as well as media and democracy. Panels of judges interrogate their visions and viewers vote for their chosen leaders via social media. Newly appointed commissioner, Dr Nomsa Masuku, served as a guest judge and elections expert for both episodes.

Ensuring access to the vote and inclusive voting for persons with disabilities

Persons with disabilities receive the Electoral Commission's ongoing and focused attention so as to meaningfully uphold, improve and progressively realise their rights to accessible and inclusive voting in public on equal terms with others.

During the year under review, the Commission collaborated with the disability sector on a national elections training imbizo held in December 2018. Teams from the South African National Council for the Blind (SANCB) and BlindSA participated in this imbizo. Its aims were as follows:

- Demonstrate the use of the universal ballot template (UBT)
- Raise concerns emanating from voting and observer experiences during the 2014 and 2016 elections
- Share their voting experiences and recommendations
- Sensitise the Electoral Commission's lead trainers on the voting needs of the visually impaired



Early in January, the ongoing process of enhancing access for blind and partially sighted users of the Commission's website and mobile platforms began in earnest when Blind SA sent a preliminary report on the accessibility of instructional technology, highlighting areas that require attention.

The national briefing for persons with disabilities on NPE 2019 took place in Durban early in February. There was an excellent turnout and robust participation from across the sector.

National voter education training for visually impaired persons took place early in January 2019. Lead trainers from SANCB, BlindSA, and DeafBlind SA attended the training. All voter education fact sheets were produced in Braille and distributed to the two umbrella bodies and their affiliates.

National voter education training for lead trainers from the Deaf Federation of South Africa, (DeafSA) took place in Durban on 2 March 2019.

This was followed in mid-March by a capacity-building workshop for South African sign language interpreters on elections and election terminology, organised in partnership with DeafSA.

The multilingual elections terminology notebook, developed in 2014 by the Department of Arts and Culture, in partnership with the Commission, was used to develop and practise sign language equivalents. It was attended by South African sign language interpreters from all provinces.

Prisoner and inmate voting in the national and provincial elections

Since 1999, the Electoral Commission has worked closely with the Department of Correctional Services to provide voter education, voter registration and voting opportunities for inmates in line with the constitutional right extended to prisoners to vote in 2005.

In terms of the Electoral Amendment Act of 2013, every inmate, irrespective of the type of sentence imposed or the type of offence committed, is entitled to apply to register as a voter, and then to vote in an election for the National Assembly and a provincial legislature in the national and provincial elections).

This provision includes remand detainees who are held in remand facilities. Persons who are in police cells are not visited for the purpose of registration or voting.

Inmates at facilities of the Department of Correctional Services receive voter education in the period leading up to the elections with the following objectives:

- To provide on-site registration and voter education to all inmates of correctional centres in the Republic of South Africa
- To educate and inform prisoners of their right to register, and once they have registered, to vote
- To capacitate inmates on the voting procedures and processes, and to provide balloting education.
- To raise the awareness of prisoners on NPE 2019

Dates for voter registration drives and for voter education have to be agreed with the heads of the correctional facilities.

In terms of views in the 2018/19 Voter Participation Survey on the eligibility to vote, an overwhelming majority (77%) of the adult population stated that all South African citizens should have the right to vote in elections. However, when pressed on specific examples, significant majorities continued to favour voting rights for prisoners (67%) and the out-of-country vote (69%).

This supports the notion of a democracy where the right to vote occupies a special place, particularly given the history of disenfranchisement in South Africa.

Ballot design and the potential for political party identification challenges among voters in South Africa

The ballot study was part of a suite of studies conducted by the Human Sciences Research Council (HSRC) in preparation for NPE 2019.

Ballot paper design represents a critical factor that informs the success of an election. It serves to promote or impede clarity in relation to voter choice. Poorly designed ballots can result in considerable confusion among voters, increasing the risk of spoilt votes and the mismarking of ballots.

The objectives of the ballot design study were as follows:

- Provide insight into whether voters are able to adequately differentiate between political parties based on the recognition of their logos and other identifying marks (such as acronyms) on ballot papers. Determine the degree to which similar acronyms or logos of registered parties, especially when placed near to or alongside each other on an election ballot paper, have the potential to foster voter confusion.
- Examine whether the risk for voter confusion varies based on the personal attributes of the voting age population.
- Ascertain whether the voting age public believes this to be a matter to be resolved through voter and ballot education or more exclusively through ballot design.
- Investigate whether the voting public has any additional ballot design preferences that could be taken into consideration as part of logistics planning to support NPE 2019.
- Prepare an analytical report based on primary research, including recommendations relating to ballot design, voter education, procedures and amending regulations for the registration of logos, and other operational logistics.
- Provide guidelines for assessing and responding to political party complaints relating to the design of ballot papers.

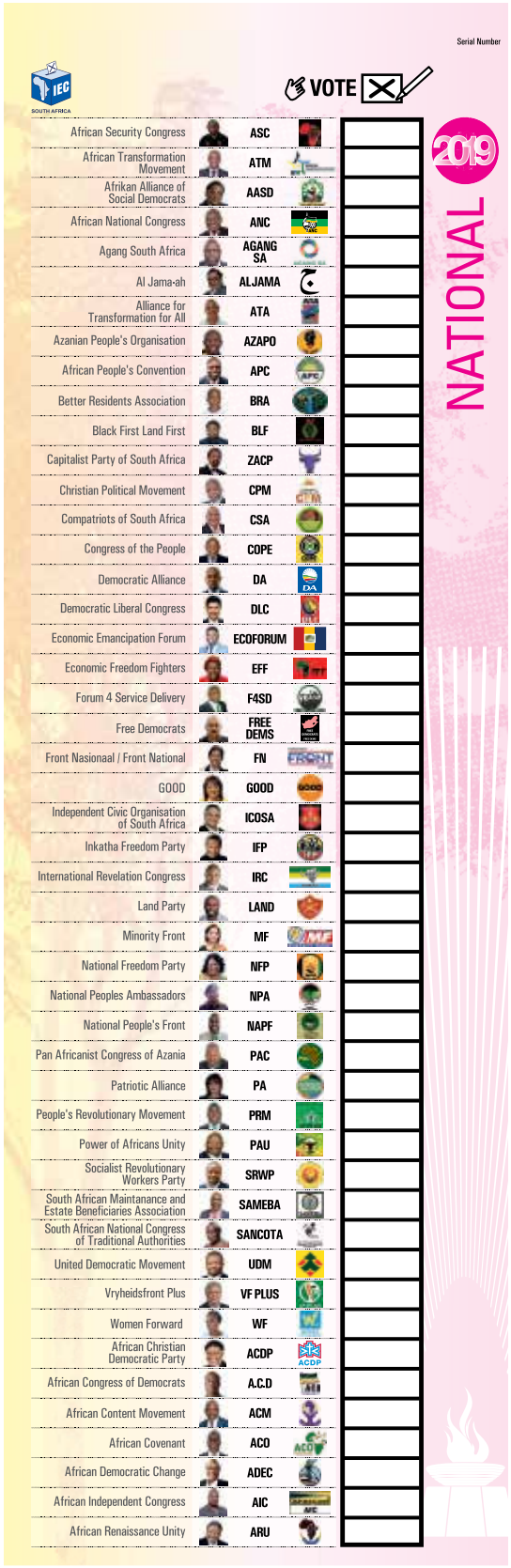
Implementation of the findings of the study

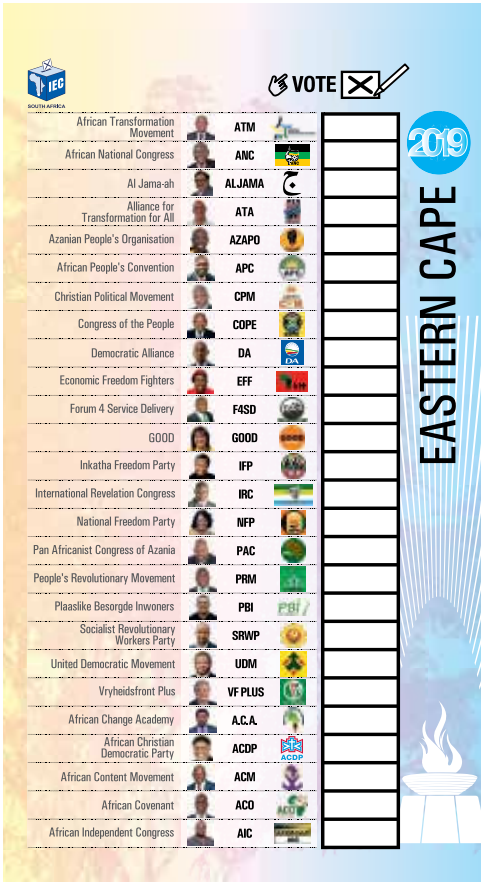
The Electoral Act empowers the Commission to determine the design of the ballot paper to be used in an election. The Commission's pre-eminent consideration in designing the ballot paper is to enable the voter's easy identification of the party of choice, to facilitate the selection of that party with confidence and to minimise the risks of miscast ballots. Accordingly, the study played a critical role in introducing enhancements to the design of the 2019 ballot paper.

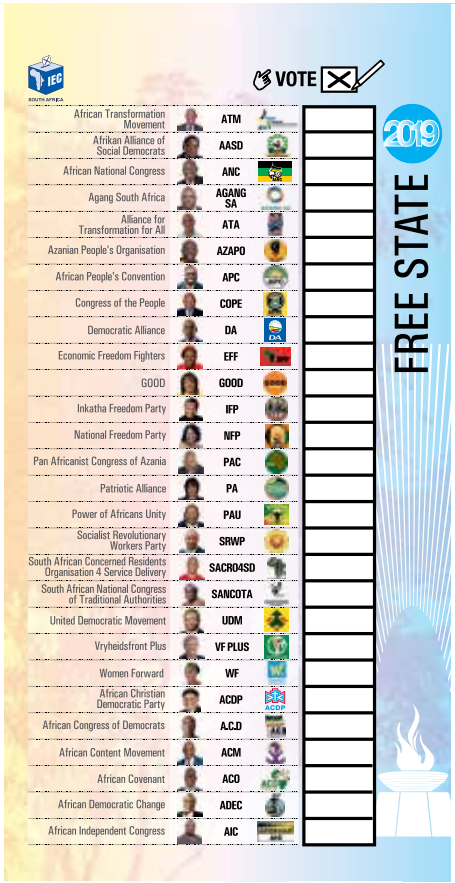
The outcome of the research proposed certain areas of enhancement to improve the legibility of the ballot paper and to accentuate distinguishing features between and among political parties on the ballot.

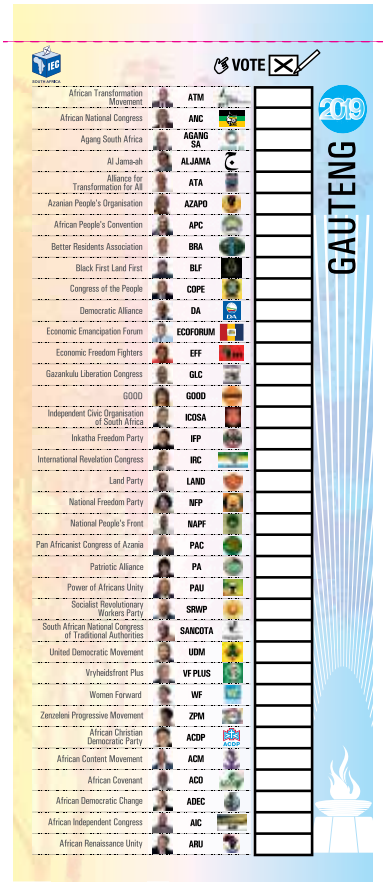
These were incorporated into the ballot paper design for NPE 2019, including a re-ordering of the sequence of party identifiers on the ballot paper as follows: full party name, party leader's photograph, abbreviation and party logo.

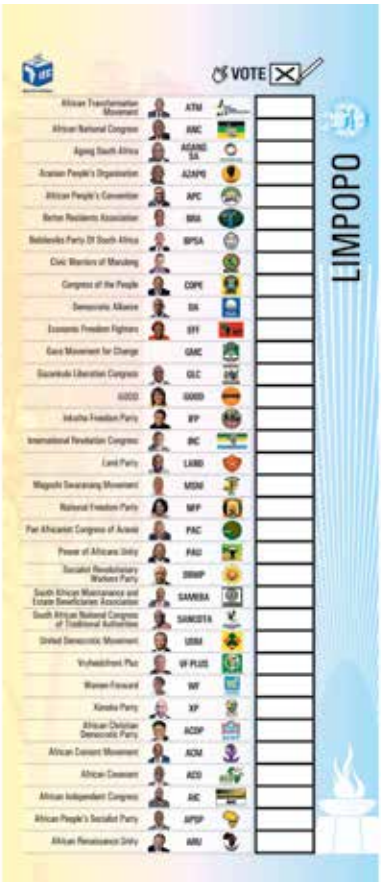
Ballot papers for NPE 2019

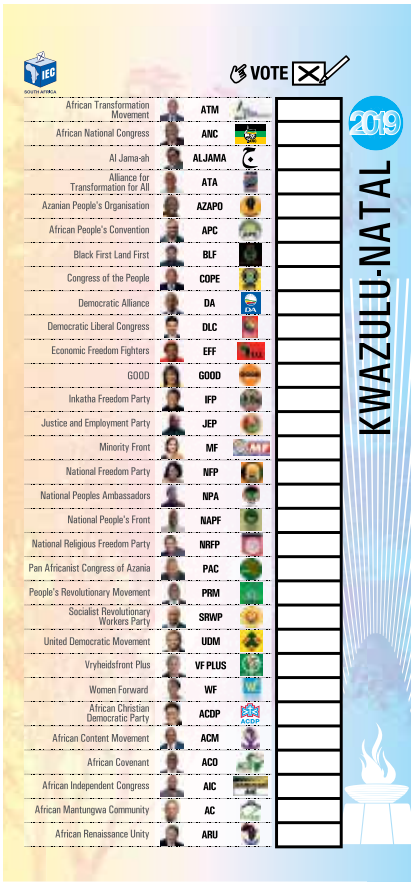


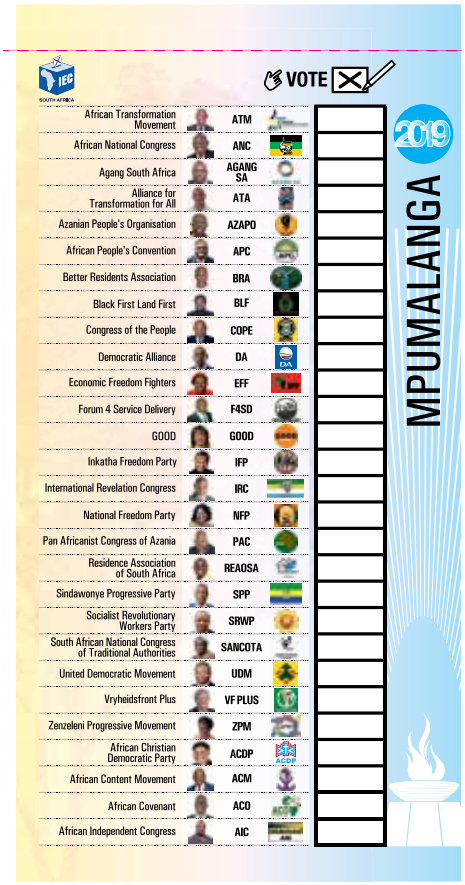


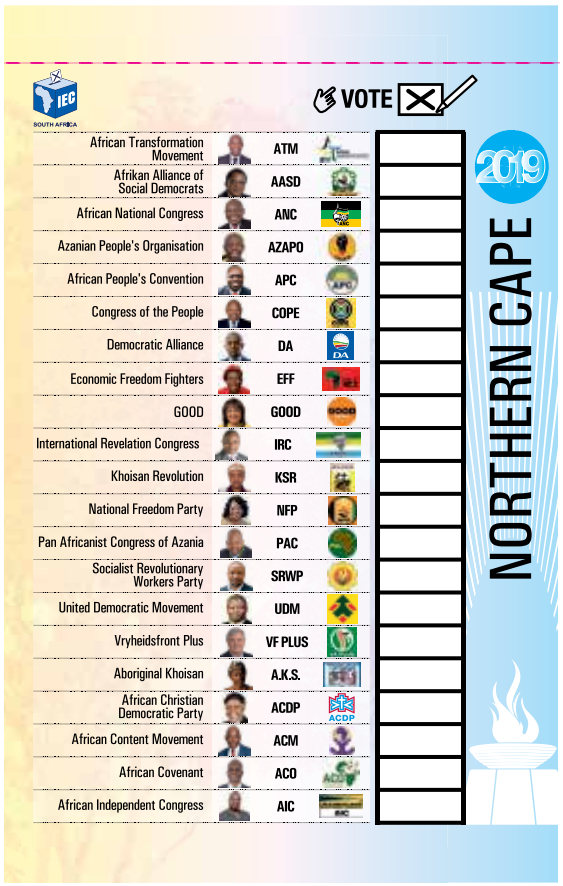


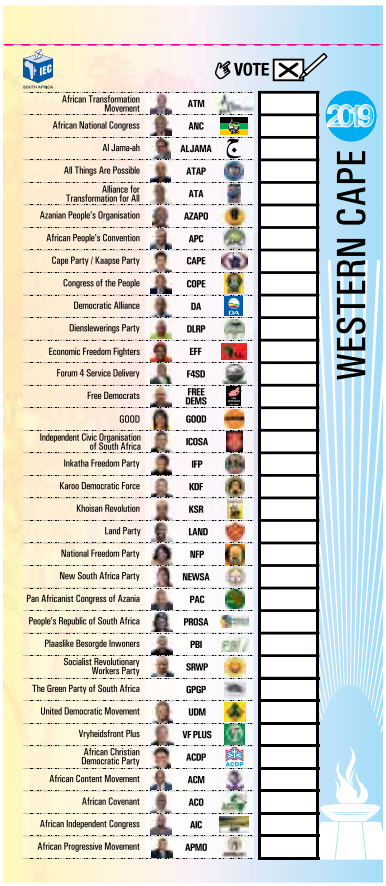

VOTE
2019
GAUTENG
African Transformation Movement ATM
African National Congress ANC
Agang South Africa AGANG SA
Al Jama-ah ALJAMA
Alliance for Transformation for All ATA
Azanian People's Organisation AZAPO
African People's Convention APC
Better Residents Association BRA
Black First Land First BLF
Congress of the People COPE
Democratic Alliance DA
Economic Emancipation Forum ECOFORUM
Economic Freedom Fighters EFF
Gazankulu Liberation Congress GLC
GOOD GOOD
Independent Civic Organisation of South Africa ICOSA
Inkatha Freedom Party IFP
International Revelation Congress IRC
Land Party LAND
National Freedom Party NFP
National People's Front NAPF
Pan Africanist Congress of Azania PAC
Patriotic Alliance PA
Power of Africans Unity PAU
Socialist Revolutionary Workers Party SRWP
South African National Congress of Traditional Authorities SANCOTA
United Democratic Movement UDM
Vryheidsfront Plus VF PLUS
Women Forward WF
Zenzeleni Progressive Movement ZPM
African Christian Democratic Party ACDP
African Content Movement ACM
African Covenant ACO
African Democratic Change ADEC
African Independent Congress AIC
African Renaissance Unity ARU

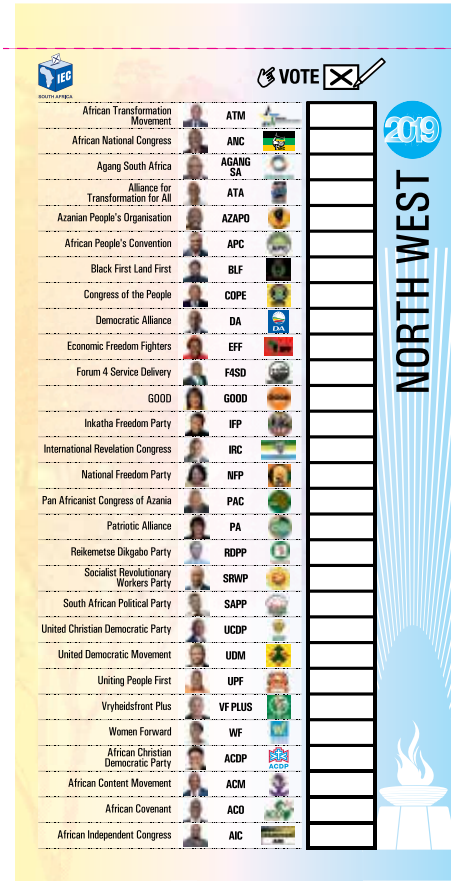

VOTE
LIMPOPO


VOTE
2019
KWAZULU-NATAL
African Transformation Movement ATM
African National Congress ANC
Al Jama-ah ALJAMA
Alliance for Transformation for All ATA
Azanian People's Organisation AZAPO
African People's Convention APC
Black First Land First BLF
Congress of the People COPE
Democratic Alliance DA
Democratic Liberal Congress DLC
Economic Freedom Fighters EFF
GOOD GOOD
Inkatha Freedom Party IFP
Justice and Employment Party JEP
Minority Front MF
National Freedom Party NFP
National Peoples Ambassadors NPA
National People's Front NAPF
National Religious Freedom Party NRFP
Pan Africanist Congress of Azania PAC
People's Revolutionary Movement PRM
Socialist Revolutionary Workers Party SRWP
United Democratic Movement UDM
Vryheidsfront Plus VF PLUS
Women Forward WF
African Christian Democratic Party ACDP
African Content Movement ACM
African Covenant ACO
African Independent Congress AIC
African Mantungwa Community AC
African Renaissance Unity ARU


VOTE
2019
MPUMALANGA
African Transformation Movement ATM
African National Congress ANC
Agang South Africa AGANG SA
Alliance for Transformation for All ATA
Azanian People's Organisation AZAPO
African People's Convention APC
Better Residents Association BRA
Black First Land First BLF
Congress of the People COPE
Democratic Alliance DA
Economic Freedom Fighters EFF
Forum 4 Service Delivery F4SD
GOOD GOOD
Inkatha Freedom Party IFP
International Revelation Congress IRC
National Freedom Party NFP
Pan Africanist Congress of Azania PAC
Residence Association of South Africa REAOSA
Sindawonye Progressive Party SPP
Socialist Revolutionary Workers Party SRWP
South African National Congress of Traditional Authorities SANCOTA
United Democratic Movement UDM
Vryheidsfront Plus VF PLUS
Zenzeleni Progressive Movement ZPM
African Christian Democratic Party ACDP
African Content Movement ACM
African Covenant ACO
African Independent Congress AIC


IEC
SOUTH AFRICA
VOTE
2019
NORTHERN CAPE
African Transformation Movement ATM
Afrikan Alliance of Social Democrats AASD
African National Congress ANC
Azanian People's Organisation AZAPO
African People's Convention APC
Congress of the People COPE
Democratic Alliance DA
Economic Freedom Fighters EFF
GOOD GOOD
International Revelation Congress IRC
Khoisan Revolution KSR
National Freedom Party NFP
Pan Africanist Congress of Azania PAC
Socialist Revolutionary Workers Party SRWP
United Democratic Movement UDM
Vryheidsfront Plus VF PLUS
Aboriginal Khoisan A.K.S.
African Christian Democratic Party ACDP
African Content Movement ACM
African Covenant ACO
African Independent Congress AIC


IEC
SOUTH AFRICA
VOTE
2019
WESTERN CAPE
African Transformation Movement ATM
African National Congress ANC
Al Jama-ah ALJAMA
All Things Are Possible ATAP
Alliance for Transformation for All ATA
Azanian People's Organisation AZAPO
African People's Convention APC
Cape Party / Kaapse Party CAPE
Congress of the People COPE
Democratic Alliance DA
Dienslewerings Party DLBP
Economic Freedom Fighters EFF
Forum 4 Service Delivery F4SD
Free Democrats FREE DEMS
GOOD GOOD
Independent Civic Organisation of South Africa ICOSA
Inkatha Freedom Party IFP
Karoo Democratic Force KDF
Khoisan Revolution KSR
Land Party LAND
National Freedom Party NFP
New South Africa Party NEWSA
Pan Africanist Congress of Azania PAC
People's Republic of South Africa PROSA
Plaaslike Besorgde Inwoners PBI
Socialist Revolutionary Workers Party SRWP
The Green Party of South Africa GPGP
United Democratic Movement UDM
Vryheidsfront Plus VF PLUS
African Christian Democratic Party ACDP
African Content Movement ACM
African Covenant ACO
African Independent Congress AIC
African Progressive Movement APMO


IEC
SOUTH AFRICA
VOTE
2019
NORTH WEST
African Transformation Movement ATM
African National Congress ANC
Agang South Africa AGANG SA
Alliance for Transformation for All ATA
Azanian People's Organisation AZAPO
African People's Convention APC
Black First Land First BLF
Congress of the People COPE
Democratic Alliance DA
Economic Freedom Fighters EFF
Forum 4 Service Delivery F4SD
GOOD GOOD
Inkatha Freedom Party IFP
International Revelation Congress IRC
National Freedom Party NFP
Pan Africanist Congress of Azania PAC
Patriotic Alliance PA
Reikemetse Dikgabo Party RDPP
Socialist Revolutionary Workers Party SRWP
South African Political Party SAPP
United Christian Democratic Party UCDP
United Democratic Movement UDM
Uniting People First UPF
Vryheidsfront Plus VF PLUS
Women Forward WF
African Christian Democratic Party ACDP
African Content Movement ACM
African Covenant ACO
African Independent Congress AIC

The research also established that there was potential for confusion among voters as a result of some party identifiers that use similar colours, abbreviations and logos. A specific recommendation was that parties that may cause confusion to the voter ought to be separated on the ballot paper.

Traditionally, the Electoral Commission has used a random draw to determine the first party on the ballot paper, with all the other parties following in alphabetical order.

These findings and the proposed solution were shared and discussed with all parties in the NPLC. The proposed solution was to retain the random draw for the first party on the ballot paper and for the other parties to follow in alphabetical order as determined by the party at the top of the ballot.

Additionally, another random draw would be conducted to help separate parties that may cause voter confusion. All parties represented at the NPLC endorsed and supported the proposals.

Voter Participation Survey 2019

To better understand the electorate and inform its electoral operations, the Electoral Commission conducts research as part of its powers and duties. It has institutionalised a specific framework of surveying, which includes a pre-election survey, the Voter Participation Survey, and an election day survey, the Elections Satisfaction Survey. Both these surveys are nationally representative longitudinal surveys that have been conducted in a similar format for all general elections since 2009.

Key findings of the survey

The 2018/19 fiscal year is a pre-election year. Accordingly, the HSRC once again conducted a Voter Participation Survey, following on similar surveys held in 2005, 2006, 2008, 201, and 2013.

The intention of the survey series is to inform and guide the Commission in its plans, policies and practices by evaluating voting behaviour in South Africa and ascertaining people's interest in and perceptions of forthcoming elections, and how these have been changing over time.

For the latest survey, conducted between November 2018 and February 2019, 2 761 individuals aged 16 years and older were interviewed in households geographically spread across the nine provinces.

Political attitudes ahead of NPE 2019

The survey included a range of questions focusing on the general outlook of the voting age public towards different aspects of democracy and politics in the country. This is important as previous rounds of the Voter Participation Survey showed that this matters fundamentally to electoral participation. Some of the highlights included the meaning and evaluation of democracy, which was found to be faring well; the public's confidence in the Electoral Commission as an institution, which had dropped due to a sense of political disillusionment; satisfaction with general voter registration, which remained very high at 90% (coupled with satisfaction with general election mechanics, which were rated at 90%). The survey also included an evaluation of voting attitudes. The reports indicate that the interest follows the same trend as in the past at 60% interest in voting and political parties, with the intention to vote remaining in the general percentage range.

Perceptions regarding the functioning of democracy

South Africans remain critical in their evaluation of how liberal democracy is performing in South Africa. In 2018/19, only 32% of the population expressed satisfaction with how democracy is working, compared to 46% voicing dissatisfaction. Discontent has been rising steadily since 2004, and reached a high point of 64% in late 2017. The current results suggest a relative upswing in public support for democracy in the country over the last year.

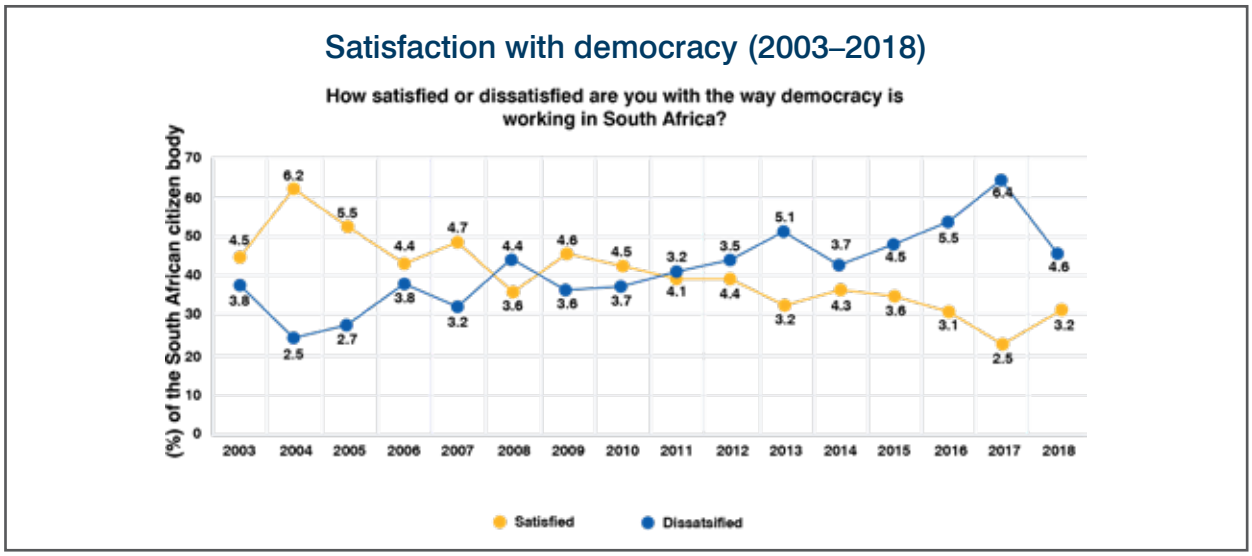


Figure 21: Satisfaction with democracy (2003–2018)

The 2019 Voter Participation Survey shows that, even though South Africans exhibit relatively strong support for democracy and have a resolute attachment to a range of core democratic principles, especially free and fair elections, they tend to do the following:

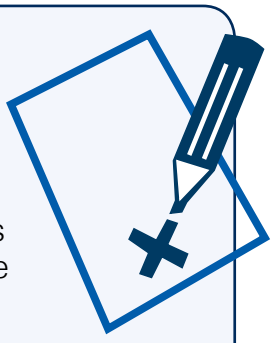
- Demonstrate increasing concern about the functioning of democracy
- Feel that democratic performance falls short of the ideal in relation to issues such as electoral accountability and citizen engagement
- Vest relatively low confidence in notable political institutions such as national and local government, Parliament and political parties
- Be critical of the current political leadership

The survey also shows a deeply rooted belief in the duty to vote, although internal and external political efficacy has declined over the last decade.

Electoral participation remains the predominant form of political expression with less institutionalised forms of political engagement tending to be circumscribed.

The sombre political mood and, in instances, harsh evaluations of democracy ahead of NPE 2019 might signal the emergence of a more critical citizen that is concerned with the accountability of institutions and office-bearers. This, in turn, could be a positive development for South African democracy and civic culture.

Did you know?



67% of South Africans believe that they have a duty to vote

59% of South Africans believe that their vote makes a difference

72% of South Africans intended to vote if national elections were held tomorrow

Note: Research conducted between November 2018 and February 2019

COMMUNICATIONS

NPE 2019 brought numerous opportunities to engage South Africans across the length and breadth of the country. The Electoral Commission's communication efforts were geared towards ensuring that the electorate fully understood the operational readiness of the organisation.

Communications plays a vital role in promoting electoral democracy by creating awareness, providing information and encouraging action in support of the Electoral Commission's objectives, particularly during an election year.

The Electoral Commission's communication activities for the year under review were dominated by driving the creative campaign for the organisation's second and final registration weekend for South Africa's sixth national and provincial elections, and preparations for the elections scheduled for 8 May 2019.

Other key communication activities during the year included internal and external communication activities relating to the 100 by-elections managed by the Electoral Commission in the financial year, and a range of organisational and operational activities, largely in preparation for NPE 2019.

The elections were proclaimed by President Cyril Ramaphosa on 26 February 2019. This resulted in the closure of the voters' roll, and the activation of the election timetable. The election phase of the campaign aimed to drive all registered voters who were interested in applying for special votes, both abroad and in South Africa, and to cast their ballots on the days of overseas voting on 27 April 2019, special voting on 6 and 7 May, and Election Day (or #XsêDay, as it was rebranded) on 8 May 2019.

For the 2019 election campaign, which included the second and final voter registration weekend on 26 and 27 January 2019, the Electoral Commission was focused on coming up with a creative campaign that would drive voter registration and engagement among new voters – particularly South Africans under the age of 30 – while maintaining conversations and connections with older voters.

Election launch and registration campaign, reaching a new generation of voters

The campaign for NPE 2019 was an innovative response to the perceived feeling of exclusion by the youth. The campaign featured young South Africans from all walks of life expressing their reasons for voting in the upcoming elections under a newly created word: "Xsê".

"Xsê" is a colloquial South African term that is understood by multiple cultures. It can be used in many situations, especially when one wants to be heard. Elections allow for

an individual's voice to be heard; hence the Commission made it for the individual to own. Moreover, it was a clever play on the "X" that voters put on the ballot paper, and which featured in previous election campaigns.

"We zoned in on a phrase that is uniquely South African. It is cool and can be used easily by anyone across culture lines. It is a call-to-action phrase; one that prompts you to take notice and take action. We hope "Xsê" will become part of the lexicon of South African youth during these elections," explained CEO, Sy Mamabolo, at the campaign launch.

The campaign was launched under the slogan "Xse, your X is your say". It was launched to key stakeholders, including political leaders, civil society and the media, at an event held in January 2019. The event was broadcast live on a number of television news channels and live-streamed on the Electoral Commission's Facebook page. The campaign was therefore launched across television, radio, digital, social and outdoor media channels throughout the country, and grabbed the attention of many young and first-time voters.

The focus of the initial phase of the campaign was to promote registration during the second and final voter registration weekend on 26 and 27 January 2019 when the country's 22 924 voting stations were open from 08:00 to 17:00 on both days to allow new voters to register and existing voters to update and check their registration details.

The Electoral Commission's digital campaign focused on its social media platforms, particularly Facebook and Twitter, Google Search and banner advertising, the home page takeovers of major news sites, such as News24.com, TheCitizen.com and others, to create awareness and drive voters to the website during registration and voting in South Africa and abroad. It drew attention to various milestones in the election timetable, including applying to vote abroad, applying for a special vote and the lodging of candidate objections.

Launch of the Xsê campaign

During the intensive Xsê campaign period for the 2018/19 financial year, material was rolled out to media platforms countrywide, including billboards, street pole posters, print adverts in major national and community newspapers, radio adverts in all 11 official languages, 30-second and 45-second television adverts broadcast on all major SABC channels, as well as eTV, eNCA and selected DStv channels. Digital educational adverts and social media focused on counting down to the final registration weekend and election day.

To assist with queries, for the first time, a Facebook Chatbot was activated on the Electoral Commission's Facebook page. This assisted in attending to thousands of queries during the election campaign.

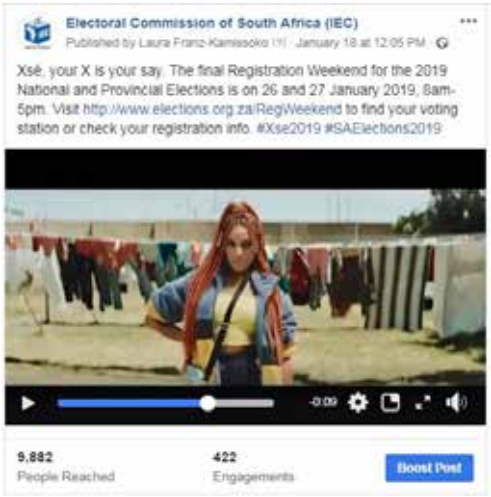
Social media

Highlights of the social media campaign include the following:

- Its launch began with the promotion of generic final registration weekend digital and social media content on Facebook, Twitter and Instagram from 4 January 2019.

- The launch of the NPE 2019 Xsê campaign on 10 January 2019 was live-streamed on Facebook (the online streaming of media simultaneously recorded and broadcast in real-time to the viewer).

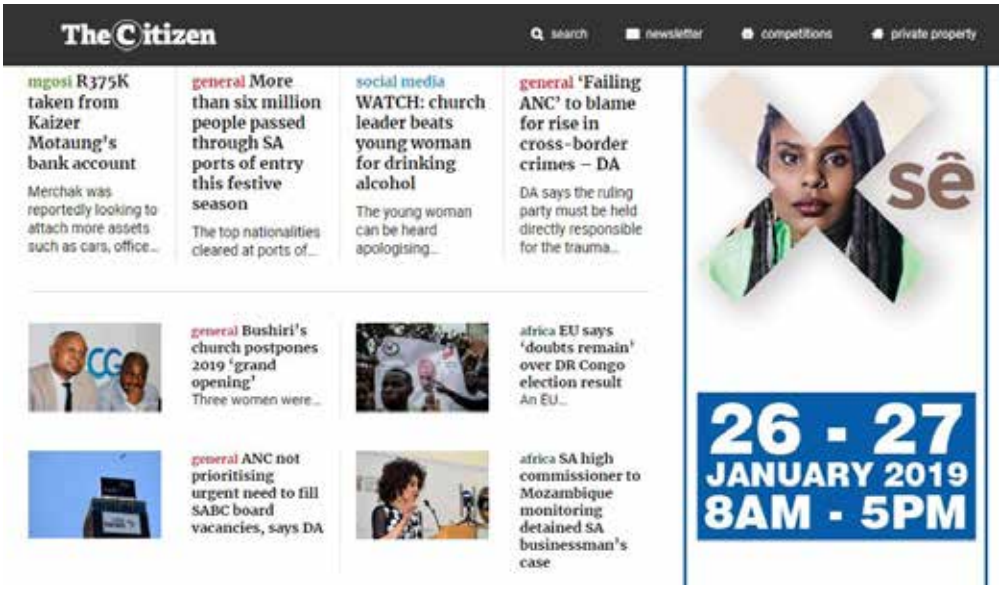
- Since the launch of the campaign, the educational advert "How to register" and the television advert with a similar theme were promoted on Facebook, Twitter and YouTube.



- The Facebook posts delivered over five million impressions and just under 40 000 clicks, as at 17 January 2019.
- The Twitter posts delivered over 4.7 million impressions as at 17 January 2019, but saw a good engagement rate when compared to the Facebook performance.
- New covers and content were uploaded to Facebook, Twitter and Instagram every two days, according to a content calendar, to stimulate interest ahead of the final registration weekend.
- The Google banners delivered just under 1.4 million impressions, while the two YouTube videos had close to 300 000 views collectively as at 17 January 2019.
- The Search campaign generated over 30 000 clicks to the website as at 17 January 2019.
- Digital spend was ramped up from Monday, 21 January, and was monitored closely in terms of optimisation towards the campaign objectives. The plan included home page takeovers and banner ads on The Citizen, IOL and News24 publications, and sending one million SMS messages and one million Please Call Me adverts to South Africans aged between 18 and 30 to heavily promote the final registration weekend and to direct recipients to the www.elections.org.za/RegWeekend/ url.

Example of Facebook cover

Example of Facebook post



Programmatic banner advert in The Citizen

Voter registration abroad

A campaign for voters abroad was launched. It was focused on social media and Google platforms for their targeting capabilities to ensure that the Commission effectively reaches South Africans overseas. This includes promoting Facebook, Twitter, Instagram and YouTube content, Google search and digital display banners on Google, News24 and other network sites and on TheSouthAfrican.com.

Media Placement Plan

The Electoral Commission's registration drive required commercials to be placed on the media platforms listed below from 14 to 27 January 2019. The campaign created buzz and conversation with South African media as it focused on the youth. The blitz campaign allowed the Commission to reach its registration targets.

Radio

Radio was the bedrock of the voter registration campaign and allowed the Electoral Commission's registration campaign to reach every corner of South Africa with 18 SABC radio stations and 11 commercial radio stations running with 30" English commercials and 45" Vernac commercials. The Commission had a total of 1 755 spots, giving it a reach of 78.9% and frequency of 13 spots a day. This included XK FM, a Khoisan radio station in the Northern Cape. Community radio stations also flighted the voter registration material. Talk radio stations were in the mix as well to appeal to audiences inclined towards current affairs. Regional radio stations with a youth target audience were included.

The other layer of the radio campaign was satellite broadcast, whereby community radio stations scheduled a simulcast across all their stations. A representative of

the Electoral Commission was hosted in one of the radio stations, which was linked to the other community radio stations for a question-and-answer session that focused on civic and voter education. Twenty-five community radio stations were linked via satellite to interact with the Commission's official and listeners of various radio stations.

Print

The print strategy resulted in 14 mainstream newspapers, with 40 strip ads (10 x 7; 10 x 8 and 10 x 10 cm in size, depending on the publication). All the publications had a total circulation of 832 393. The campaign also targeted community papers, with adverts running in 115 community newspapers that cut across all nine provinces. Strip ads were run in each of these papers (10 x 7 and 10 x 8 cm in size). The total circulation of the community newspapers was 814 350.

Out-of-home activation

The Electoral Commission pursued various formats, sizes and platforms in its out-of-home activation campaign. The approach was to have various touch points and destinations so that the Electoral Commission could reach as wide an audience as possible across all the nine provinces. Touch points included major arterials, township exit and entry points, commuter nodes, rural, mobile environments and sites deep in the townships. Through outdoor advertising, 187 billboards were disseminated, which were supplemented by six mobile trailers that covered the nine provinces. Information in a large font with voter registration information was displayed on both the billboards and the trailers.

Street pole posters

In strengthening its voter registration campaign, the Electoral Commission produced street pole posters to create awareness and advertise the January 2019 voter registration weekend in preparation of NPE 2019. These were distributed throughout South Africa.

Commuter advertising

Twenty long-distance buses travelling to various parts of the country carried voter registration information to ensure maximum participation.

A total of 2 291 transit television screens with information on voter registration were deployed at busy transport hubs in all nine provinces. Commuters were able to interact with voter registration messages as they were connecting buses or taxis to their various destinations.

Television

The Electoral Commission had sponsored programmes that promoted the final voter registration weekend on flagship television programmes of SABC, eTV and MTV. These sponsored elements included opening billboards, 30" commercials, closing billboards and presenter mentions. Furthermore, various spot packages flighted 30" commercials on various channels across DStv, Viacom, community television, and technical and vocational education and training college television platforms.

Digital media

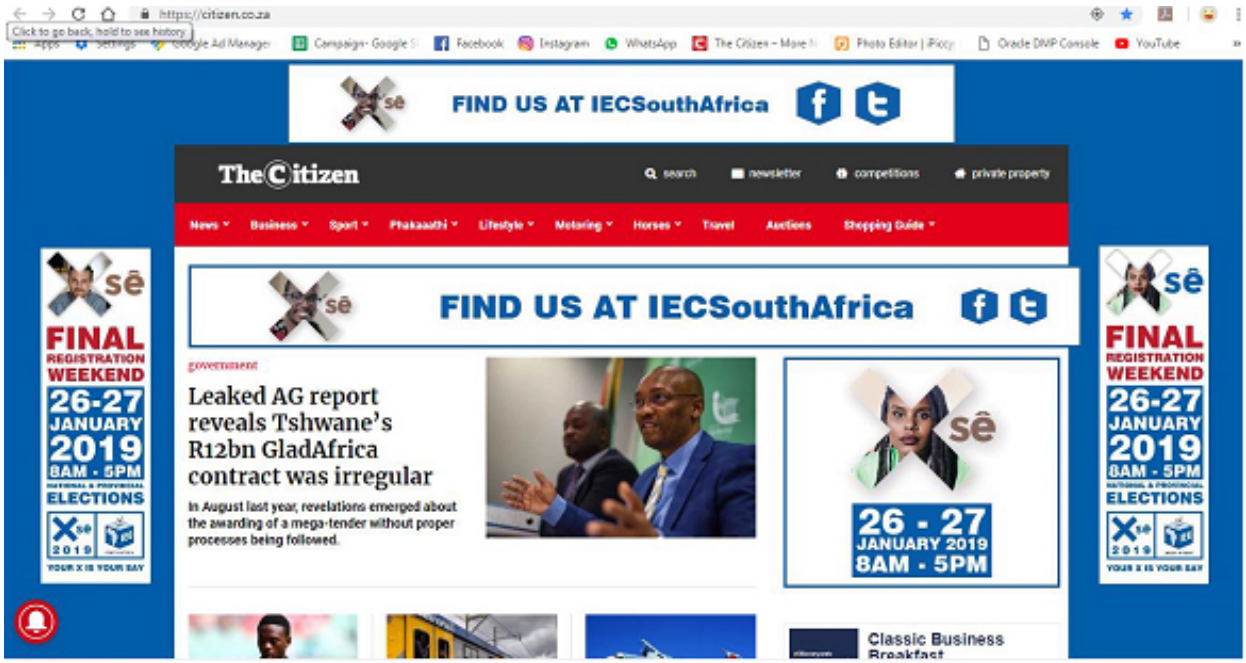
The digital media campaign consisted of various awareness and reach channels to create awareness of the NPE 2019 voter registration campaign, coupled with mobile awareness through targeted SMS and Please Call Me messages. Selected channels included social media (Facebook, Instagram and Twitter), Google (GDN, Search), YouTube, SpaceStation, Citizen Online, IOL, Ads24 and programmatic advertising..

The digital campaign performed well and exceeded the key performance indicators set out at the onset of the campaign period. News sites outperformed the other sites, followed by various forms of banner advertising.

The Please Call Me and SMS message campaigns succeeded in specifically targeting younger voters, together with those who had not yet registered to vote. This also allowed the Electoral Commission to reach voters who were potentially not connected to the internet due to handset, data or connectivity limitations.

Grade 12 results portal

In a bid to reach first-time voters, the Electoral Commission partnered with Media24 and The SpaceStation to promote their matric results portal. The portal allowed matriculants and their parents to register on the website https://matricresults.news24.com/ and receive their matric results timeously on 3 and 4 January 2019.



The matriculants were requested to input their contact details, which included their cell phone numbers and email addresses. Media24 managed to send 650 000 emails and 300 000 SMS messages encouraging matriculants to register on 26 and 27 March 2019. The Electoral Commission's voter registration branding took over News24, The Citizen and Sowetan online newspapers (home page takeovers). This also created awareness of the registration drive. The portal had 4.6 million page views and a unique reach of over 2.7 million. In total, the target of 33 million impressions was surpassed by 84 million across Media24's websites.

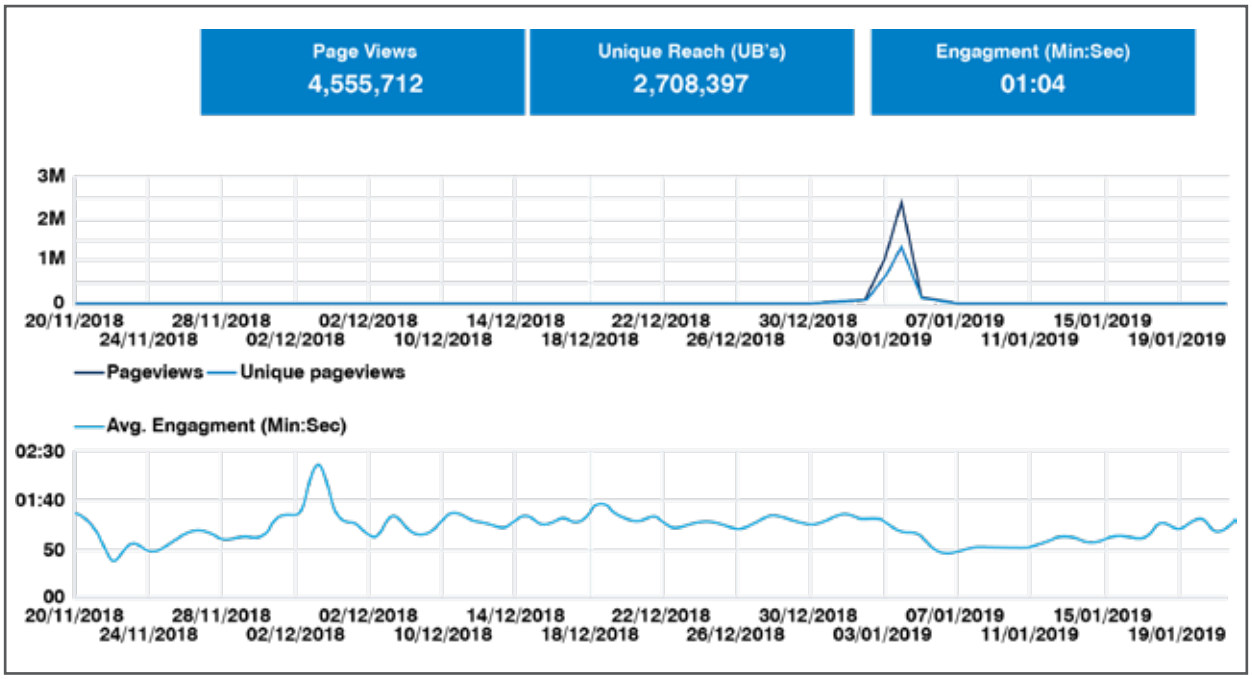


Figure 22: Performance of digital media

This included the SMS and Please Call Me campaign, which succeeded in targeting less affluent younger voters, especially those who had not yet registered to vote. The campaign served over 105 million Please Call Me ad tags, and a registration weekend SMS was sent out to over a million citizens aged between 18 and 25 across South Africa on 24 January 2019.

The campaign linked viewers of advertised Facebook posts and carousel adverts, non-paid-for Facebook posts and mobile Please Call Me adverts to the Electoral Commission's website, with weekly posts providing eligible voters with information on the registration and address updating process.

Content on Facebook, Instagram, Twitter and the mobile web focused on educating voters about the importance of having an accurate and up-to-date address on the voters' roll, and motivating them to check and update their address details.

For first-time voters, the processes and key registration weekend dates, and voting station information were shared.

Between 1 April 2018 and the end of March 2019, the Electoral Commission enjoyed the following significant growth in key social media platforms:

- The number of Twitter followers remained static at about 200 000 followers by the end of March 2019. During the period under review, the Electoral Commission's Twitter profile ranked seventh in the top 10 government Twitter profiles in South Africa (Socialbakers.com).
- Facebook likes increased from some 340 000 followers in April 2018 to over 343 000 followers by March 2019. Again, excellent growth was recorded in January 2019, thanks to the registration weekend, with nearly 4 000 new followers. Worth noting is that the Electoral Commission maintained its top spot on Socialbakers.com's listing of the largest audience on South Africa's government Facebook platforms, and its Facebook page continued to rank as one of the fastest-growing governmental pages in South Africa in early 2019.
- YouTube videos performed well over the course of the registration weekend campaign. The television advert garnered over 160 000 views and a made-for digital educational video garnered an impressive 44 000 views.

- The Electoral Commission's relatively new presence on the Instagram photo-sharing platform grew organically to some 1 500 followers.

By-elections

In the year under review, the Communication Department assisted in creating awareness for 100 by-elections hosted by the Electoral Commission.

The Communication Department was responsible for compiling and sharing three media releases per by-election event, announcing the registration weekend for the by-election, the by-election candidates and the results for each by-election.

This content was also shared on the Electoral Commission's official website and pages on Facebook and Twitter.

The Communication Department sent 835 094 SMS messages to registered voters in the affected wards for the 100 by-elections to notify them of the imminent registration weekend and the by-election voting day, with an average 96.30% success rate.

Contact centre

During the 2018/19 election year, the demand for information from the South African electorate necessitated the Electoral Commission establishing an inbound contact centre. The purpose of the contact centre was to allow potential eligible voters to clarify any queries they may have had with respect to the status of their address on the voters' roll, their correct voting station, and the address update and registration process, both online and at their correct voting station, so that they might meaningfully participate in future elections.

A contact centre was provided, which could be accessed through a toll-free number (0800 11 8000), via email and through social media applications such as Facebook and Twitter. The contact centre was operational from
January 2019. It was launched together with the launch of the election campaign in mid-January, and functioned beyond the end of the period under review (until a month after NPE 2019).

During the election campaign, the contact centre was staffed by over 100 agents, who worked in two shifts and attended to standard queries (according to pre-defined criteria). Staff members escalated non-standard queries to the Communications Department at the Electoral Commission's national office.

The following contact centre statistics provide a glimpse of NPE 2019:

- Average handling time: 4.54 minutes
- Languages accounting for greatest call volumes: English (17 219 calls received or 60%), Zulu (3 885 calls or 13.5%) and Afrikaans (2 717 calls or 9%)
- Total number of emails received: 9 339, with 7 775 responses sent
- The most common questions: voter registration status and voters' roll address, special vote applications, and voting station locations

To assist with queries, a Facebook Chatbot was activated for the first time in December 2018. This assisted in attending to 8 254 queries by 31 March 2019.

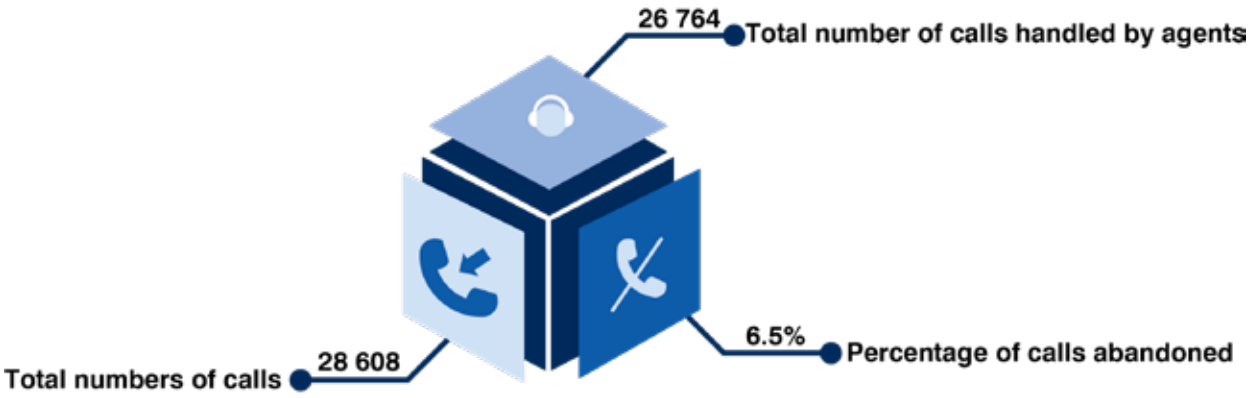


Figure 23: Contact centre statistics

Internal communications

Efficient and effective communication is a vital tool within any organisation. It lies at the heart of how the staff members of the Electoral Commission work together to achieve their shared goals and objectives.

During the 2018/19 financial year, the following internal communication channels were utilised:

- A monthly newsletter from CEO Sy Mamabolo provided high-level feedback on key issues that affect all staff in the organisation. Issued electronically monthly, the newsletter, From the CEO's Desk, was received with great interest by staff members.
- Regular email notices were distributed on important events, news, legislative amendments, the celebration of commemorative events and other operational issues.
- Communication on key issues was disseminated to staff from the leadership of the Electoral Commission.

Publications

The Communication Department published the 2018 Annual Report, of which 1 200 copies were printed and distributed to stakeholders, including members of Parliament, political parties, the media, non-governmental organisations working in elections, certain government departments, researchers, universities and legal deposit libraries.

A digital copy was also uploaded to the organisation's online document library.

The compilation of a guide to the 2019 elections, celebrating 25 years of electoral democracy in South Africa, was also initiated and the publication was printed in the following financial year.

Media relations

Over the years, the Electoral Commission enjoyed and nurtured a dynamic relationship with the South African media. This collaborative relationship ensured that the electorate was extensively informed on the voter registration drives and elections.

The media play an essential communication function in any democracy, particularly during an election period. The media bear the significant responsibility of ensuring that the electorate is provided with the information it needs to make informed decisions.

The media strategy for NPE 2019 deliberately engaged young South Africans while engaging the broader South African electorate. It focused on current affairs and news programmes with youth as its focal point. Furthermore, synergistic media partnerships were sought to extend the Electoral Commission's reach to young South Africans.

This media strategy formed part of the integrated communication strategy that drove engagement among South Africans. It took conversation to the length and breadth of the country, taking into consideration its diversity. Alongside the advertising campaign, it drove the campaign theme and messages. On the launch of the elections theme and logo in January 2019, the media strategy created "talkability" across South Africa.

During the period under review, the expanded Communication team dealt with enquiries and interview requests from over 600 journalists and facilitated their accreditation for the 10 ROCs. The Communication team also disseminated 110 media statements, hosted media briefings and major events such as the launch of the Xsê campaign and the national and provincial Electoral Code of Conduct pledge ceremonies, which attracted extensive media coverage.

Media monitoring

The Electoral Commission appointed a media monitoring company to ensure that coverage of its mandate was widely tracked and any disinformation corrected immediately.

Media reports recorded by the media monitoring services for the period under review are categorised as follows: 2 320 (28.5%) reports were positive assessments of the organisation; 5 595 (68.73%) of the reports captured contributed to neutral reporting; and 225 (2.7%) reports were assessed as having a negative impact on the organisation's reputation.

Table 21: Monthly media analysis for the 2018/19 financial year

Month	Number of positive articles	Number of neutral articles	Number of negative articles	Total number of articles
April 2018	158	76	0	234
May 2018	381	389	10	780
June 2018	229	328	28	585
July 2018	38	150	14	202
August 2018	66	253	32	351
September 2018	32	191	37	260
October 2018	5	182	17	204
November 2018	97	356	19	472
December 2018	27	352	23	402
January 2019	706	1 015	17	1 738
February 2019	291	955	13	1 259
March 2019	290	1 348	15	1 653
Total	**2 320**	**5 595**	**225**	**8 140**

Key issues covered by the media during the period under review included newly appointed Commissioners and the interview process, the finalisation of the voters' roll and receiving South African addresses, the registration of political parties, voter registration activities, elections and the launch of NPE 2019 and the election timetable.

During the period under review, 200 media releases were issued, approximately 99 interviews were held and five media briefings with live broadcasts recorded.

In its media strategy, the Electoral Commission communicated information to the electorate and to a variety of other stakeholders, including CSOs, political parties and candidates. The media themselves have a right to report freely and to scrutinise the entire electoral process. This scrutiny is, in itself, a vital safeguard against interference or corruption in the management or conduct of the electoral process.

This media strategy directs all engagements with the media, supported by detailed schedules of media training and activities.

Media training workshops

Every election brings with it changes in legislation and logistics. During the period under review, the Electoral Commission hosted a national media training workshop, which brought together an assembly of media organisations and practitioners.

These workshops were undertaken in all nine provinces in partnership with media organisations. The Electoral Commission collaborated with various media organisations representing print, broadcast and digital media. Ten media training workshops were undertaken in various provinces.

The workshop was to provide a platform for sharing the communication and information needs with the media, thereby understanding the information needs of the media, and for discussing concrete proposals to improve communication between the Electoral Commission and the media.

The workshop had two interrelated aims: understanding the regulatory framework for NPE 2019 as it relates to coverage for newsrooms and the news industry, based on local, regional and continental guidelines, and understanding the role of the media in elections and the responsibilities of the Electoral Commission and other key stakeholders in relation to media coverage of NPE 2019.

The following topics were covered:

- Electoral Commission preparations and electoral timelines
- Role and responsibility of the media in elections coverage
- The African Commission on Human and Peoples' Rights' Guidelines on Access to Information and Elections
- The Southern African Development Community Guidelines on Media Coverage of Elections

The workshop was intended to ensure that the media reinforce the crucial role they play in reporting on the elections, guided by the principles of total freedom of expression and fairness.

Events management

The Electoral Commission's specific elections events follow the proclamation of NPE 2019 by the President.

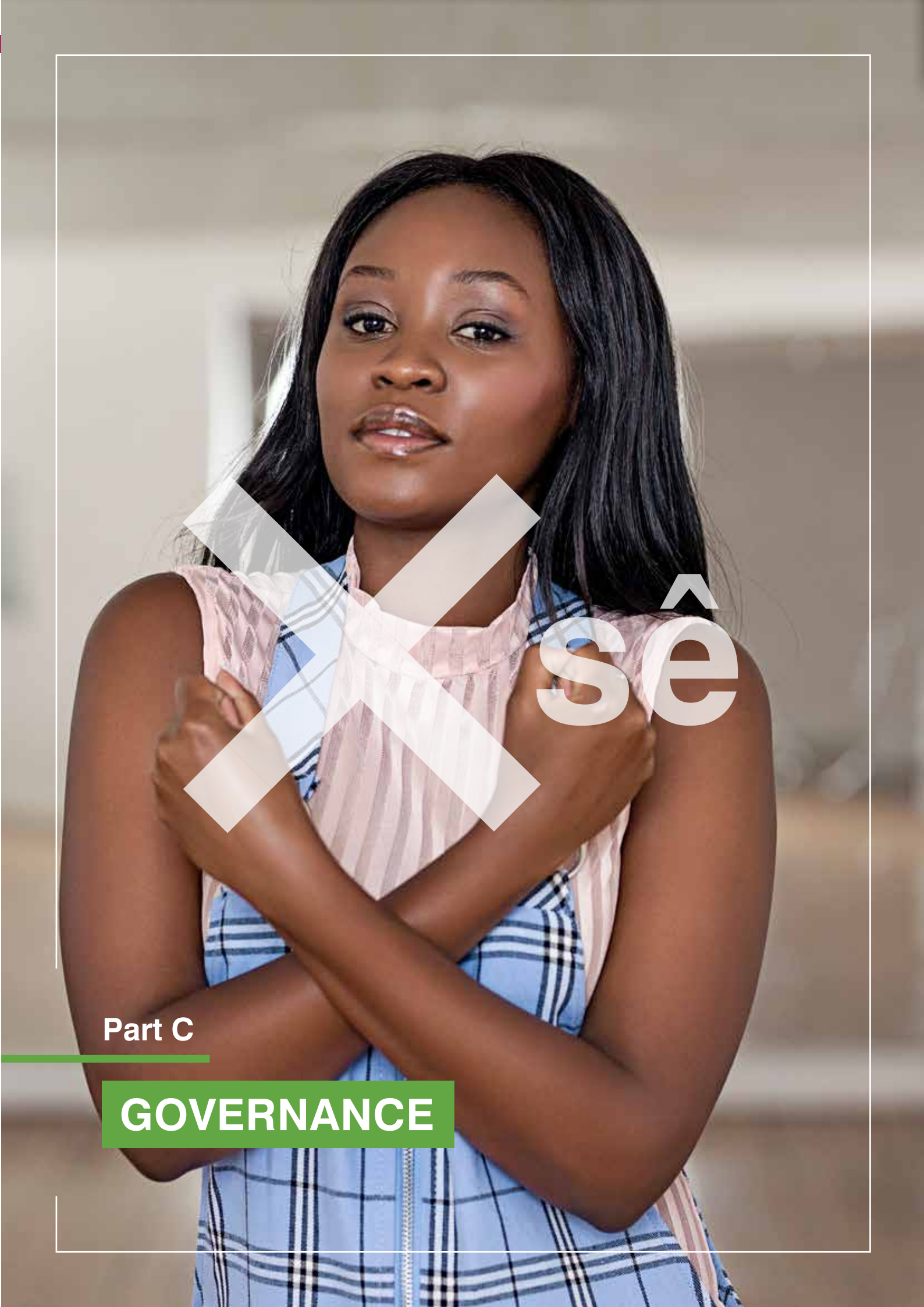
These events inform stakeholders about the readiness of the Commission to host the country's elections.

The following two events form part of the six events spread throughout the heightened election period:

- *Launch of NPE 2019:* For every election milestone, the Commission contracted the services of an advertising agency to develop and conceptualise the theme of the specific elections. The official national launch of NPE 2019 took place on 10 January 2019. The event offered the Commission the opportunity to pledge to the electorate that elections are going ahead and in full mode. A total of 300 guests were invited to witness the theme of the elections, "Xsê – your X is your say".
- *Signing the National Code of Conduct:* The political parties contesting NPE 2019 were obliged by law to adhere to the prescripts of the Electoral Code of Conduct and to publicly sign the pledge. The event, which took place on 20 March 2019, was broadcast live on television and radio stations. Leaders of political parties were afforded two minutes to make a commitment to uphold the law. Of the 48 parties that would contest the elections, 45 parties signed the pledge. Following the signing of the National Code of Conduct, a draw of the order of political parties on the ballot paper was conducted.

Linking performance with budgets

Programme	2018/19			2017/18		
	Budget	Actual expenditure	(Over-)/under-expenditure	Budget	Actual expenditure	(Over-)/under-expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Outreach	241 897	219 861	22 036	116 361	108 644	7 717



Part C

GOVERNANCE

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 PFMA and its various regulations. Parliament, the Executive Authority, the Commissioners and the CEO 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. Several interactions with the Portfolio Committee on Home Affairs took place during the course of the year under review. These included the following sessions:

- **29 May 2018:** Briefing on preparations for NPE 2019
- **11 October 2018:** Annual Report for 2017/18 financial year and the preparedness of the Electoral Commission for NPE 2019
- **13 November 2018:** Briefing on the Electoral Amendment Act
- **12 February 2019:** Briefing on the outcomes of the voter registration weekend of 26 and 27 January
- **8 March 2019:** Oversight visit to the Electoral Commission

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 CEO, 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 through the management process of the Electoral Commission. Issues raised at these meetings are considered when implementing plans for the remainder of the year.

4. The Commission

The membership of the Electoral Commission is provided for in terms of Section 6 of the Electoral Commission Act. The Commission meetings attended and the members of the Commission for the year under review are as follows:

Table 22: Commission meetings

Name	Date appointed	Number of meetings attended
Mr Glen Mashinini	18 May 2015	11
Mr Terry Tselane	8 November 2011	6
Judge Gidfonia Makhanya	10 May 2011	0
Rev Bongani Finca	8 November 2011	3
Ms Janet Love	20 April 2016	10
Dr Nomsa Masuku	24 November 2018	5
Mr Mosotho Moepya	24 November 2018	5
Judge Dhaya Pillay	24 November 2018	2

Members of the Commission are appointed for a term of seven years. The Commission appoints the CEO. It also adopts the Strategic Plan, monitors and oversees its implementation, and reports annually to the National Assembly. The Commission has established a number of committees to advise it on the execution of its duties.

Table 23: Committee chairpersons

Name	Date appointed
Elections Management	Mr Mosotho Moepya
Finance, Risk and Compliance	Mr Glen Mashinini
Governance and Ethics	Mr Glen Mashinini
Human Resources Governance	Dr Nomsa Masuku
Outreach, Communications and International Relations	Ms Janet Love
Research, Knowledge Management and Publications	Dr Nomsa Masuku
Political Party Funding Committee	Ms Janet Love

5. Risk management

Risk management at the Electoral Commission is effected in terms of an approved risk management policy and framework, and risks are reviewed at least quarterly under the direction of the Executive Risk Management Committee (ERMC).

An annual strategic planning workshop was held, involving senior management, where the Strategic Plan, APP and Technical Indicator Descriptions were reviewed. Risks were also identified that would potentially prevent the Electoral Commission from achieving its objectives.

Seventeen operational risk registers, which included those for the nine provinces and eight national departments, are completed quarterly for their respective areas of responsibility.

These are used as a basis, together with the knowledge and experience of the ERMC, to review and update the strategic risk register, which is completed at the quarterly meeting of the ERMC.

6. Internal control

The Electoral Commission's system of internal control is well established and operates efficiently and effectively. 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 time frames.

7. Internal Audit and Audit Committee

The Electoral Commission uses a co-sourced model of internal auditing under the direction of the CAE who reports functionally to the statutory Audit Committee and administratively to the CEO.

The Audit Committee operates within its written terms of reference to timeously execute its responsibilities.

The Audit Committee convened nine meetings during the year. Details of the individual members of the Audit Committee and attendance at meetings during 2018/19 are as follows:

Table 24: *Audit Committee members*

Name of member (all external)	Qualifications	Date appointed	Attended	Apologies	Total attended	Retired
Mr YN Gordhan (Chairperson)	CA(SA)	October 2014	6	N/A	6	July 2018
Ms J Meissner	CA(SA)	May 2016	8	1	8	N/A
Adv CH Wessels	LLM	August 2016	6	3	6	N/A
Mr CD Boltman	MBA	June 2017	9	N/A	9	N/A
Dr MEC Moleki	PHD	March 2018	8	1	8	N/A
Ms SP Mzizi	CA(SA)	August 2018	2	1	2	N/A

Table 25: *Audit Committee attendance*

Name of member	24 April 2018	11 May 2018	29 May 2018	5 June 2018	25 July 2018	30 July 2018	18 September 2018	14 November 2018	7 March 2019
Mr YN Gordhan (Chairperson)	✓	✓	✓	✓	✓	✓	Retired		
Ms J Meissner (Chairperson from 1 August 2018)	✓	✓	✓	×	✓	✓	✓	✓	✓
Adv CH Wessels	✓	✓	✓	×	✓	✓	×	✓	×
Mr CD Boltman	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr MEC Moleki	✓	✓	✓	✓	✓	✓	✓	×	✓
Ms SP Mzizi							✓	✓	×

The Audit Committee held confidential discussions with Internal Audit, the Auditor-General, the Acting CFO and, on his appointment, the then CFO, the external Chairperson of the ERMC, the Accounting Officer, as well as with the Commission as and when required.

8. Compliance with laws and regulations

A detailed review of all procurement processes and documentation is undertaken after each external audit, 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.

9. Fraud and corruption

The Fraud and Corruption Prevention Policy and the Whistleblowing Policy were drafted and approved by the Commission on 6 March 2015. In addition, the Fraud Prevention Strategy was reviewed and revised, and approved on the same date.

Key elements in the Fraud Prevention Implementation Plan include the drafting of standard operating procedures and a communication campaign to reinforce the Electoral Commission's zero tolerance of fraud and corruption.

During the latter part of 2016, a company was appointed that specialises in whistleblowing processes to ensure that suspected fraud and corruption cases are handled independently and objectively.

10. Minimising conflict of interest

The Electoral Commission recognises that conflicts extend beyond procurement matters, and, on 18 March 2016,
the Commission approved a Conflict of Interest Policy that addresses the broader issues. The need to be aware of potential conflicts and how to address these are reinforced at financial management workshops.

11. Code of conduct

The Electoral Commission has a code of conduct that is contained in its Employee Policy Manual. Section 9 of the Electoral Commission Act 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.

12. Health, safety and environmental issues

The Occupational Health and Safety Act (Act 85 of 1993) was adhered to and no contraventions were reported. 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. During the period under review, this committee met twice to carry out its functions in terms of the Act.

13. Social responsibiltiy

The Commission has established a Governance and Ethics Committee, which will develop a Policy on Social Responsibility. Currently, the Electoral Commission's employees 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.

14. Audit Committee Report

The Audit Committee is pleased to present its report for the financial year ended 31 March 2019.

Audit Committee responsibility

The Audit Committee hereby reports that it has been established in terms of section 77 of the PFMA as amended and has complied with its responsibilities arising from Treasury Regulation 3.1 and 3.2. The Audit Committee also confirms that it has adopted the approved formal terms of reference detailed in its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Details of its composition, meetings held and attendance are reflected in Part C, point 7 (page 68 of the Annual Report).

Effectiveness of internal control

The system of internal control is designed to provide effective assurance that:

- assets are safeguarded;
- liabilities and working capital are effectively managed;
- operations are effective; and
- policies, laws and regulations are complied with.

From the various reports of Internal Audit and the management letter of the AGSA, the Audit Committee recognises the improvement in some high-risk areas notwithstanding the acceleration of activities in the lead-up to NPE 2019.

However, the Audit Committee will monitor that the improvement required, in areas where regressions were highlighted, are prioritised by management.

Performance information

The Audit Committee considered the performance reports on a quarterly basis. The Audit Committee recognises the challenges in some indicators as reported by management and other assurance providers, and appreciates their undertaking to perform additional work in those areas to ensure achievement.

Risk management

In addition to the information on risk management reflected in Part C (page 67), the Audit Committee supports key priorities of management to enhance the enterprise risk management maturity levels.

Internal audit

In relation to the information on internal audit reflected in Part B (pages 18–19), the Audit Committee is pleased with the percentage completion against plan achieved by the internal audit activity. In particular, the Audit Committee embraces the step-change that internal audit identified towards refining its processes going forward.

The Audit Committee will monitor management's adoption of a roadmap to enhance the audit-enabling environment.

Finance function

The finance function adequately discharged its responsibilities and delivered quality financial statements notwithstanding leadership changes at a critical period within the financial year.

Quality of management reports

The Audit Committee is satisfied with the quarterly reports submitted by management for consideration at the Audit Committee meetings.The Audit Committee appreciates that management is embracing further enhancements in this regard.

Evaluation of audited annual financial statements

The Audit Committee has:

- reviewed and discussed with management the Management Report from the AGSA;
- reviewed the appropriateness of the accounting policies and practices;
- reviewed and discussed the adjustments to the financial statements arising from the audit;
- noted the schedule of audit differences arising from the audit; and
- reviewed and discussed with management the audited annual financial statements and recommended its approval by the Accounting Officer and the Executive Authority.

The Audit Committee concurs with and accepts the audit report of the AGSA.

Ms J Meissner
Chairperson of the Audit Committee
31 July 2019

Part D

HUMAN RESOURCES MANAGEMENT

1. Introduction

The loss of skilled and experienced Electoral Commission staff members as a result of retirement continued to be a concern for the organisation. As a result, the Human Resources Plan, which considers, inter alia, the policies and plans to address loss of staff due to retirement, was developed and approved. An implementation plan will be developed to ensure the achievement of the recommended interventions, and regular monitoring of achievements against the plan will take place.

The human resources (HR) review of the organogram and other processes has had an impact on the organisational rate of reducing vacancies. Subsequently, the target of 980 posts filled by the end of the financial year was not achieved.

A three-year wage agreement was negotiated with the recognised trade union for the period 2018/19 to 2020/21 and implemented accordingly.

One (14.3%) of the seven cases that were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) by the recognised trade union, employees and/or former employees was ruled in favour of the Electoral Commission, two (28.5%) cases were finalised at the conciliation stage, with four cases (57.1%) still pending.

The Employment Equity (EE) Report was compiled and submitted to the Department of Labour in January 2019.

During the period under review, by-election training material was reviewed to ensure alignment with the revised organisational requirements. The training of electoral staff members was a priority in the last quarter of the year under review, as the registration weekend was held in March 2018.

In the quest to strengthen the managerial and supervisory skills of the Electoral Commission's staff, 109 employees across the organisation participated in the supervisory skills training programme.

In line with the Electoral Commission's vision of being a pre-eminent leader in electoral democracy and strengthening staff members' knowledge and understanding of election management, 34 staff members attended the MDEA programme offered by Unisa in partnership with the Electoral Commission.

2. Human resources oversight statistics

2.1 EXPENDITURE ON REMUNERATION

The Electoral Commission implemented inflationary increases for all its employees in April 2018. A summary of expenditure on remuneration during the year under review is illustrated in the table below.

Table 26: *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	9 369	1%	4	2 342
Top Management	12 041	2%	5	2 408
Senior Management	72 116	9%	36	2 003
Middle Management	137 513	17%	131	1 050
Professionals	386 478	48%	621	622
Skilled	20 945	3%	62	338
Semi-skilled	133 575	17%	7 831	17
Very low skilled	25 711	3%	4 192	6
Total	**797 747**	**100%**	**12 882**	**8 787**

Table 27: Employment and vacancies according to rank

Programme	2017/18 number of employees	2018/19 approved posts	2018/19 number of employees	2018/19 number of vacancies	Percentage of total vacancies
Top Management	2	4	3	1	0.8%
Senior Management	37	44	38	6	5%
Professional qualified	762	847	752	99	82.6%
Skilled	60	63	62	4	3.3%
Semi-skilled	15	20	18	4	3.3%
Unskilled	50	55	49	6	5%
Total	**926**	**1 033***	**922**	**120**	**100%**

* Discrepancy between filled posts and vacancies due to nine employees permanently absorbed on the organogram in terms of relevant legislation.

Table 28: Employment and vacancies by structure

Division	Rank	Approved posts	Posts filled	Vacant posts
Office of the CEO	CEO	1	1	0
	Senior Manager	0	1	-1
	Manager	2	1	1
	Deputy Manager	1	1	0
	Senior Administrative Officer	1	0	1
	Assistant Administrative Officer	1	1	0
Commission Services	Manager	1	1	0
	Senior Administrative Officer	3	2	1
	Housekeeper/Driver	2	2	0
DCEO: Corporate Services	DCEO	1	1	0
	Senior Administrative Officer	1	1	0
ICT Operations	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	8	2	6
	Assistant Manager	10	3	7
	Senior Administrative Officer	4	0	4
	Administrative Officer	5	5	0
	Assistant Administrative Officer	2	1	1
Chief Financial Officer	Senior Manager	2	0	2
	Manager	3	3	0
	Deputy Manager	4	4	0
	Assistant Manager	3	3	0
	Senior Administrative Officer	8	4	4
	Administrative Officer	21	17	4
	Assistant Administrative Officer	2	2	0

Division	Rank	Approved posts	Posts filled	Vacant posts
HR, Training, Skills Development and Support Services	Senior Manager	1	1	0
	Manager	3	3	0
	Deputy Manager	6	6	0
	Assistant Manager	4	2	2
	Senior Administrative Officer	4	3	1
	Administrative Officer	5	4	1
	Assistant Administrative Officer	6	4	2
	Senior/Administrative Clerk	5	4	1
	Messenger/Driver/Housekeeper	10	6	4
Legal Services	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Administrative Officer	1	1	0
DCEO: Electoral Operations	DCEO	1	1	0
	Senior Administrative Officer	1	1	0
Logistics and Infrastructure	Senior Manager	1	0	1
	Manager	2	2	0
	Deputy Manager	2	2	0
	Assistant Manager	2	2	0
	Senior Administrative Officer	2	2	0
	Administrative Officer	0	2	-2
	Assistant Administrative Officer	2	1	1
Electoral Matters	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	1	1	0
	Assistant Manager	2	2	0
	Senior Administrative Officer	2	2	0
	Assistant Administrative Officer	2	2	0
DCEO: Outreach	DCEO	1	0	1
	Senior Administrative Officer	1	1	0
Communications	Manager	1	1	0
	Deputy Manager	2	1	1
	Assistant Manager	1	0	1
	Senior Administrative Officer	1	1	0
	Administrative Officer	1	1	0
	Assistant Administrative Officer	1	0	1
Civic Education, Research and Knowledge Management	Senior Manager	1	1	0
	Manager	1	0	1
	Deputy Manager	2	2	0
	Assistant Manager	1	0	1
	Senior Administrative Officer	1	0	1
	Administrative Officer	1	0	1
	Assistant Administrative Officer	1	1	0
	Clerk/Photocopy Operator	4	9	-5
	Senior Administrative Clerk	0	1	-1

Division	Rank	Approved posts	Posts filled	Vacant posts
Provincial electoral staff: Eastern Cape	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	4	3	1
	Assistant Manager	12	12	0
	Senior Administrative Officer	26	26	0
	Administrative Officer	3	2	1
	Assistant Administrative Officer	2	2	0
	Messenger/Housekeeper/Driver	2	2	0
	Senior Administrative Clerk	8	8	0
	Electoral Project Coordinator	87	80	7
	Cleaner	33	30	3
Provincial electoral staff: Free State	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	9	9	0
	Senior Administrative Officer	12	8	4
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper	1	1	0
	Senior Administrative Clerk	5	5	0
	Electoral Project Coordinator	28	24	4
Provincial electoral staff: Gauteng	Senior Manager	1	0	1
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	8	8	0
	Senior Administrative Officer	15	13	2
	Administrative Officer	3	3	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	7	5	2
	Electoral Project Coordinator	38	33	5
	Cleaner	5	3	2
Provincial electoral staff: KwaZulu-Natal	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	16	16	0
	Senior Administrative Officer	21	19	2
	Administrative Officer	3	3	0
	Assistant Administrative Officer	2	2	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	11	11	0
	Electoral Project Coordinator	92	86	6

Division	Rank	Approved posts	Posts filled	Vacant posts
Provincial electoral staff: Limpopo	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	8	8	0
	Senior Administrative Officer	15	14	1
	Administrative Officer	2	1	1
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	5	5	0
	Electoral Project Coordinator	60	58	2
Provincial electoral staff: Mpumalanga	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	7	7	0
	Senior Administrative Officer	10	9	1
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	0	1
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	3	3	0
	Electoral Project Coordinator	39	36	3
Provincial electoral staff: Northern Cape	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	9	9	0
	Senior Administrative Officer	10	8	2
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	5	5	0
	Electoral Project Coordinator	31	26	5
Provincial electoral staff: North West	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	8	8	0
	Senior Administrative Officer	9	9	0
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	4	4	0
	Electoral Project Coordinator	38	33	5
	Cleaner	16	15	1
Provincial electoral staff: Western Cape	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	10	10	0
	Senior Administrative Officer	12	10	2
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Cleaner	1	1	0
	Senior Administrative Clerk	6	5	1
	Electoral Project Coordinator	38	35	3
Total		**1 033**	**922**	**111**

2.2 EMPLOYMENT CHANGES

The turnover rate was approximately 2.7%, which is slightly higher than the previous financial year (2.5%). Most terminations were as a result of deaths and resignations, and most were from professionally qualified staff. The number of positions filled at the end of the year under review was higher than that of the previous year.

As illustrated in the table below, the Electoral Commission appointed 23 new employees in the period under review, while there were 25 terminations as a result of resignations, dismissals, retirements or deaths during the period under review.

Table 29: *Staff movement during the period under review*

Salary band	Employment at the beginning of the period	Appointments	Promotions	Demotions	Terminations	Employment at the end of the period
Top Management	2	1	1	0	1	3
Senior Management	37	3	0	0	2	38
Professional qualified	762	7	8	0	20	752
Skilled	60	8	0	0	1	62
Semi-skilled	15	4	0	0	0	18
Unskilled	50	0	0	0	1	49
Total	**926**	**23**	**9**	**0**	**25**	**922**

Table 30: *Reasons for staff leaving*

Reason	Number	Percentage of total number of staff terminations
Death	10	40%
Resignation	8	32%
Dismissal	1	4%
Retirement	4	16%
Ill-health	1	4%
Expiry of contract	0	0%
Other	1	4%
Total	**25**	**100%**

Table 31: *Staff movement according to rank*

Rank/level	Recruited	Promoted	Demoted	Termination
CEO	0	0	0	
DCEO	1	0	0	1
Senior Manager/PEO	1	1	0	1
Manager	2	0	0	1
Deputy Manager	2	0	0	
Assistant Manager	1	0	0	1
Senior Administrative Officer	1	4	0	3
Administrative Officer	3	2	0	13
Assistant Administrative Officer	0	2	0	3
Senior/Administrative Clerk	8	0	0	1
Messenger/Housekeeper/Driver/Handy	3	0	0	
Cleaner	0	0	0	1
Total	**22**	**9**	**0**	**25**

Table 32: Staff resignations for 2016/17 to 2018/19

Year	Number of resignations	Percentage
2016/17	9	0.87%
2017/18	9	0.87%
2018/19	8	0.77%

Table 33: Wellness sessions held from 2016/17 to 2018/19

Year	Number of sessions
2016/17	5
2017/18	7
2018/19	6

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

Table 34: Sick leave absenteeism for 2016/17 to 2018/19

Year	Total number of sick leave days taken	Estimated cost	Number of employees who took 15 consecutive days
2016/17	3 992 days	R7 668 211.84	65
2017/18	4 353 days	R8 897 250.96	15
2018/19	3 356 days	R7 309 588.72	34

Table 35: Special sick leave absenteeism for 2015/16 to 2017/18

Year	Total number of special sick leave days taken	Estimated cost	Number of employees who took special sick leave
2016/17	1 043 days	R1 807 518.16	16
2017/18	870 days	R1 748 366.56	18
2018/19	1 056 days	R2 325 820.24	22

Table 36: Average sick leave taken according to rank

Rank/level	Average days
CEO	0.00
DCEO	11.00
Senior Manager	9.00
Manager	4.81
Deputy Manager	5.74
Assistant Manager	5.33
Senior Administrative Officer	6.01
Administrative Officer	6.02
Assistant Administrative Officer	6.50
Senior/Administrative Clerk	6.55
Messenger/Housekeeper/Driver	7.25
Cleaners	7.63

Table 37: Employee deaths during the period under review

Office	Name	Date of death
Western Cape	Esmond Malcolm Fortuin	22 July 2017
Gauteng – EKU	Kedibone Machaba	14 June 2018
Mpumalanga	Tina Sithole	15 June 2018
Free State – FS196	Lineo Mokatsanyane	15 August 2018
National Office	Motolokwane Letlhafe	28 August 2018
KwaZulu-Natal – ETH	Nonhlanhla Phewa	4 September 2018
National Office	Elizabeth de Beer	31 October 2018
North West – NW394	Nonofo Lerebolo	31 October 2018
Gauteng – GP485	Nombulelo Ndlakuza	16 January 2019
Eastern Cape – EC153	Dumisani Mhlana	29 January 2019
Limpopo – LIM472	Motale Seboane	16 February 2019

Table 38: Average age of the deceased for 2015/16 to 2017/18

Year	Number of deaths	Average age of deceased
2016/17	2	50.50
2017/18	3	52.33
2018/19	10	47.3

2.3 LABOUR RELATIONS

Formal disciplinary action was taken against four employees for various acts of misconduct including, among others, contravention of procurement prescripts, prejudicing the administration and/or misconduct. During the period under review, three cases were finalised, while one formal case is still pending finalisation.

Seven cases were referred to the CCMA by either the recognised trade union or employees for various reasons. Three of these were finalised, while four cases are still pending finalisation. One of the three finalised cases was found in favour of the Electoral Commission, while the remaining two cases were closed at conciliation.

Table 39: CCMA disputes

Nature of dispute	Number of employees
Section 6 [EEA]: Prohibition of unfair discrimination – arbitrary grounds	2
Section 186(2)(a): Unfair conduct – promotion, demotion, probation, training, benefits	1
Section 191(1) [191(5)(a)]: Dismissal related to misconduct	3
Section 191(5)(a)(iii): Reason for dismissal unknown	1
Total	**7**

As illustrated in the table below, the trend of matters referred to the CCMA by either the recognised trade union or employees against the Electoral Commission further decreased in the period under review.

Table 40: Disputes referred to the CCMA for 2015/16 to 2017/18

Referred	Number of cases
2016/17	28
2017/18	9
2018/19	7

The Electoral Commission committed itself to complying with the Employment Equity Act (Act 55 of 1998). A new five-year plan was developed for the period 1 October 2018 to 30 September 2023. Vacancies are filled as far as possible in accordance with numerical goals, targets and representivity per level.

Table 41: Employment equity targets among male staff members for the period under review

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	0	0	0	0	0
Senior Management	11	11	5	5	2	2	3	3
Professional qualified	64	62	6	5	4	4	3	3
Skilled	265	267	22	23	7	7	7	13
Semi-skilled	7	5	1	1	0	0	0	0
Unskilled	2	2	0	0	0	0	0	0
Total	**351**	**349**	**34**	**68**	**13**	**13**	**13**	**19**

Table 42: Employment equity targets among female staff members for the period under review

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	1	1	1	1	1
Senior Management	12	13	1	2	1	1	3	3
Professional qualified	36	38	5	6	3	3	14	14
Skilled	326	318	44	42	5	5	24	24
Semi-skilled	9	9	0	1	0	0	0	1
Unskilled	46	45	2	0	0	0	0	0
Total	**430**	**424**	**52**	**52**	**10**	**10**	**42**	**43**

Table 43: Representivity in terms of employment equity per level

Rank/level	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
CEO/DCEO	2	0	0	0	0	0	1	0
Senior Manager	6	2	0	1	3	0	2	0
Manager	6	3	1	3	7	1	0	3
Deputy Manager	22	1	0	2	12	0	2	8
Assistant Manager	39	3	5	1	22	6	1	7
Senior Administrative Officer	52	2	1	3	62	5	2	9
Administrative Officer	181	16	3	5	210	30	3	14
Assistant Administrative Officer	1	1	0	0	18	1	0	1
Senior/Administrative Clerk	41	1	1	1	39	5	1	0
Messenger/ Housekeeper/Driver	7	1	0	0	10	1	0	0
Cleaner	2	0	0	0	45	1	0	0
Total	**359**	**30**	**11**	**16**	**428**	**50**	**12**	**42**

Table 44: Employment equity numerical goals: 2018 to 2023

Period	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Numerical goals (until the end of September 2012)	348	52	17	60	305	53	10	47
Numerical goals (until the end of September 2018)	524	77	27	79	500	67	18	71
Numerical goals (until the end of September 2023)	402	48	18	46	429	52	10	43

Part E

ANNUAL FINANCIAL STATEMENTS

Report of the Auditor-General to Parliament on the Electoral Commission

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Electoral Commission set out on pages 85–120, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the comparison of actual and budgeted expenditure for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Electoral Commission as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

4. I am independent of the constitutional institution in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Irregular expenditure

7. As disclosed in note 28 to the financial statements, the constitutional institution incurred irregular expenditure of R131 869 723, due to non-compliance with procurement processes and entity specific legislation.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with requirements of the Standards of GRAP and the requirements of the 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.

9. In preparing the financial statements, the accounting officer is responsible for assessing the Electoral Commission's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the constitutional institution or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

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

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

Report on the audit of the annual performance report

Introduction and scope

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

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

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the constitiutional institution for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 2 – Electoral Operations	32–42
Programme 3– Outreach	43–65

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:

    - Programme 2 – Electoral operations
    - Programme 3 – Outreach

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 15–65 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the programmes on electoral operations and outreach. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

21. The material finding on compliance with specific matter in key legislations is as follows:

Procurement and contract management

22. A contract was awarded to a bidder that did not comply with evaluation/adjudication criteria that were stipulated in the original invitation for bidding, in contravention of treasury regulations 16A6.3(b).

Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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

25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information; I am required to report that fact.

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

Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.

29. Monitoring of the action plan to address weaknesses identified does not include measures to evaluate the effectiveness of the plan on a regular basis.

30. Compliance monitoring controls currently in place were not always effective to be able to prevent and detect non-compliance in procurement processes.

Auditor - General

Pretoria
31 July 2019

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

    - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

    - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the constitiutional institution's internal control

    - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer

    - conclude on the appropriateness of the accounting officer's use of the going concern basis in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Electoral Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the constitutional institution to cease continuing as a going concern

    - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Electoral Commission
Annual Financial Statements for the year ended 31 March 2019

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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Report of the Accounting Officer

The Electoral Commission

The Electoral Commission is a constitutional institution established in terms of section 181(1)(f) of the Constitution of the Republic of South Africa (Act 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 period ended 31 March 2019. This report and the annual financial statements comply with the requirements of the Public Finance Management Act, Act 1 of 1999 (PFMA) and the Electoral Commission Act, Act 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 the 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 reasonably possible.

The Electoral Commission also has a mandate to promote knowledge of sound and democratic electoral processes.

Registration details

The registered office of the Electoral Commission is Election House, Riverside Office Park, 1303 Heuwel Avenue, Centurion, Gauteng.

Financial highlights

The Electoral Commission received R1 965 004 000 (page 89) for the year under review by way of parliamentary allocations, and sundry revenue of R44 624 014 (page 89) comprising mainly of interest earned, bringing the Electoral Commission's total revenue to R2 009 628 014.

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 fixed 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 Electoral Commission has determined the following prices, the basis of which was 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 via our website free of any charge:

a) Am I registered to vote?;
b) Voting station finder;
c) Election and by-election results data;
d) Registration status, level and contact details of political parties;
e) Online Address Capture; and
f) Online Candidate Nomination System.

Electoral Commission
Report of the Accounting Officer for the year ended 31 March 2019

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

Section 40(3)(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.

I am satisfied that the Electoral Commission has sound supply chain management practices, supported by a procurement policy, standard operating procedures and a fully functional Compliance Unit. In 2018/19, irregular expenditure of R131 869 723 was incurred and is reflected in Note 28. Of this, R101 170 917 is current-year expenditure in relation to Bid Adjudication committee which was not constituted in compliance with the Electoral Commission's terms of reference. No financial misconduct occurred and services were duly received by the commission. National Treasury has condoned the amount in the current year.

Fruitless and wasteful expenditure amounting to R35 015 was incurred in the current financial year and is reflected in Note 29 of the annual financial statements. The fruitless and wasteful expenditure relates to interest paid on overdue accounts and a payment to an incorrect service provider. The expenditure will be investigated to determine whether it will be economical to recover. Steps have been taken to prevent recurrence.

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 to the Executive Committee (EXCO) and the Commission.

The Accounting Officer has the responsibility for establishing a framework of internal control including the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of these financial statements, thus ensuring that the financial statements are free from material misstatement. The control measures are also designed to provide cost-effective assurance that assets are safeguarded, and that liabilities and working capital are efficiently managed. Internal controls operated effectively during the year, where necessary, continued enhancements are effected.

The Accounting Officer is also responsible for maintaining adequate accounting records and an effective system of risk management.

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

a) Statement of Financial Position as at 31 March 2019,
b) Statement of Financial Performance for the year ended 31 March 2019,
c) Statement of Changes in Net Assets for the year ended 31 March 2019,
d) Cash Flow Statement for the financial year ended 31 March 2019,
e) Comparison of actual and budgeted expenditure for the year ended 31 March 2019; and
f) Accounting policies and notes to the annual financial statements.

The financial statements are prepared in accordance with the South African Standards of GRAP, issued by the Accounting Standards Board (ASB). The Auditor-General is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Going concern

The Electoral Commission is funded by National Treasury via a vote of Department of Home Affairs and funding is secured over a three-year cycle in terms of the medium-term expenditure framework (MTEF).The financial statements have thus been prepared on the going-concern basis.

Approval of the annual financial statements

The annual financial statements of the Electoral Commission set out on pages 88 to 124 have been approved by the Accounting Officer.

Mr Phatudi Simon Mamabolo
Chief Electoral Officer
31 July 2019

Statement of Financial Position

	Note	31 March 2019 R	31 March 2018 R
Assets			
Current assets		**712 725 489**	**171 460 554**
Cash and cash equivalents	3, 4	617 243 284	129 966 145
Trade and other receivables from exchange transactions	3, 5	49 701 557	32 453 279
Inventories	6	45 780 648	9 041 130
Non-current assets		**246 245 988**	**227 352 325**
Property, plant and equipment	7	166 265 823	144 193 204
Heritage assets	8	1 671 453	1 664 421
Intangible assets	9	78 308 712	81 494 700
Total assets		**958 971 477**	**398 812 879**
Liabilities			
Current liabilities		**255 057 565**	**142 848 280**
Trade and other payables from exchange transactions	3, 10	240 737 773	137 238 647
Short-term portion of operating lease liability	11	8 924 894	3 507 825
Provisions	12	5 394 898	2 101 808
Non-current liabilities		**30 964 084**	**38 944 549**
Operating lease liability	11	30 964 084	38 944 549
Total liabilities		**286 021 649**	**181 792 829**
Net assets			
Accumulated surplus		672 949 828	217 020 050
Total liabilities and net assets		**958 971 477**	**398 812 879**

Statement of Financial Performance

	Note	31 March 2019 R	31 March 2018 R
Revenue			
Revenue from non-exchange transactions	13	**1 967 604 219**	**1 301 989 670**
Parliamentary allocation		1 965 004 000	1 299 912 000
Lease revenue		2 600 219	2 077 670
Revenue from exchange transactions	14	**42 023 795**	**15 261 494**
Political party registration fees		39 700	21 100
Investment revenue		41 774 662	14 704 617
Other operating revenue	14.1	209 433	535 777
Total revenue		**2 009 628 014**	**1 317 251 164**
Expenditure		**(1 553 626 623)**	**(1 295 625 683)**
Employee-related costs	15	(793 946 611)	(638 818 352)
Goods and services	16, 33	(610 841 906)	(483 281 699)
Depreciation, amortisation and impairment	17	(35 831 407)	(72 661 237)
Audit fees	18	(8 431 622)	(6 841 651)
Lease rental costs	19	(104 798 727)	(93 744 745)
Finance costs	20	(9 312)	(14 629)
Debt impairment	21	232 962	(263 370)
Total expenditure		**(1 553 626 623)**	**(1 295 625 683)**
Deficit on disposal of assets	22	(166 093)	(178 185)
Surplus/(deficit) for the year		**455 835 298**	**21 447 296**

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Balance at 1 April 2017	**195 572 761**	**195 572 761**
Surplus for the year	21 447 289	21 447 289
Balance at 1 April 2018	**217 020 050**	**217 020 050**
Prior year adjustment	94 480	94 480
Surplus for the period	455 835 298	455 835 298
Balance at 31 March 2019	**672 949 828**	**672 949 828**

Cash Flow Statement

	Note	31 March 2019 R	31 March 2018 R
Cash flows from operating activities			
Cash receipts from customers		**2 007 027 795**	**1 315 043 293**
Parliamentary allocation received		1 965 004 000	1 299 912 000
Investment revenue received		41 774 662	14 574 416
Receipts from sale of goods and services		249 133	556 877
Cash paid to suppliers and employees		**(1 464 859 495)**	**(1 193 142 474)**
Cash payments to employees		(686 047 657)	(550 406 746)
Interest payments	20	(6 215)	(13 687)
Cash payments to suppliers		(778 805 623)	(646 722 041)
Net cash flows from operating activities	23	**542 168 300**	**121 900 819**
Cash flows from investing activities		**(54 891 161)**	**(6 012 716)**
Purchase of property, plant and equipment	7	(40 865 532)	(1 748 776)
Purchase of intangible assets	9	(14 602 145)	(4 938 799)
Purchase of heritage assets	8	(9 180)	(1 529)
Proceeds from sale of property, plant and equipment	7 8 9	585 696	676 388
Net increase in cash and cash equivalents		**487 277 139**	**115 888 103**
Cash and cash equivalents at the beginning of the year		129 966 145	14 078 042
Cash and cash equivalents at the end of the year	3, 4	**617 243 284**	**129 966 145**

Comparison of Actual and Budgeted Expenditure

	Note	31 March 2019 R Adjusted budget (Estimates of National Expenditure published by National Treasury January 2018)	31 March 2019 R Actual as per the Statement of Financial Performance	31 March 2019 R Variance
Revenue				
Revenue from non-exchange transactions		**1 965 004 000**	**1 967 604 219**	**2 600 219**
Parliamentary allocation		1 965 004 000	1 965 004 000	–
Lease revenue and sponsorship		–	2 600 219	2 600 219
Revenue from exchange transactions		**15 000 000**	**42 023 802**	**27 023 802**
Political party registration fees		–	39 700	39 700
Investment revenue		15 000 000	41 774 662	26 774 662
Other operating revenue		–	209 440	209 440
Total revenue	30	**1 309 912 000**	**2 009 628 021**	**29 624 021**[1]
Expenditure	30	**(1 963 084 011)**	**(1 553 626 630)**	**409 457 381**
Employee-related costs		(780 446 331)	(793 946 611)	(13 500 280)[2]
Goods and services		(995 703 588)	(723 848 612)	271 854 976[3]
Depreciation, amortisation and impairment		(186 934 092)	(35 831 407)	151 102 685[4]
Total expenditure		**(1 963 084 011)**	**(1 553 626 630)**	**409 457 381**
Deficit on disposal of assets		–	(166 093)	(166 093)
Surplus/(deficit) for the year	30	**16 919 989**	**455 835 298**	**438 915 309**

Accounting policies

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 otherwise specified. 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. The Electoral Commission is fully dependent on the state for funding.

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 rand.

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 accrual basis. Reasons for variances between actual and budgeted amounts are provided for in Note 31.

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, there were no new GRAP Standards that became effective and were adopted.

1.1 Significant judgments 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 judgment 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgments 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 judgments 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.

Impairment and useful life review of property, plant and equipment, and intangible assets

The Electoral Commission determines the estimated useful lives and related depreciation / amortisation 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. The impairment of assets is estimated in line with Accounting Policy 1.16 below.

Provisions

The Electoral Commission assesses its provisions at each reporting date in determining whether an adjustment should be recorded in surplus or deficit.

Electoral Commission
Accounting policies for the period ended 31 March 2019

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. The subsequent measurement of financial assets and liabilities depends on this categorisation.

Initial recognition

Financial assets and liabilities are only recognised in the Statement of Financial Position 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, 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 measured 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 an impairment loss has occurred. If there is objective evidence that an impairment loss has been incurred, for example, a default on payment arrangements or a delinquent debtor, 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 discounted at the asset's original effective interest rate.

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, and the amount of the gain or loss is recognised in the Statement of Financial Performance.

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 are measured at amortised cost.

Trade and other payables from exchange transactions

Trade and other payables from exchange transactions are subsequently measured at amortised cost, using the effective interest method.

The Electoral Commission's trade and other payables from exchange transactions relate to amounts owed to suppliers.

Derecognition of financial instruments

Financial assets are derecognised 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.

1.3 Inventories

Inventories are initially measured at cost. Inventories shall be recognised as an asset if, and only if:

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

Electoral and promotional items stock is subsequently 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 subsequently 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 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.

The estimate of the useful life of an asset is a matter of judgement, based on the Electoral Commission's experience with similar assets. The expected useful lives assigned to the assets in their respective asset classes upon initial recognition are reviewed on an annual basis.

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

Class	Estimated useful life in years
Pre-fabricated buildings	10–30 years
Furniture and fittings	8–15 years
Motor vehicles	5 years
Office machines and equipment	5–10 years
Computer equipment	3–20 years
Scanners (zip-zips)	10 years
Cell phones	3 years
Appliances	5–10 years

Notwithstanding the above estimates, the useful life of each newly acquired asset is considered on capitalisation of the asset and should it seemingly differ from the above guidelines, then a more reliable useful life is assigned. In assessing the useful life of an asset, the following factors may be considered, namely:

- the period that the Electoral Commission expects to gain service potential from the asset;
- the ability to re-deploy the asset within the Electoral Commission over time;
- whether the asset has been acquired for a specific project or purpose;
- the past experience of similar assets in use and the appropriateness of this given the technology embedded in the asset;
- any assessment performed by an independent advisor on the condition of the asset or its expected life expectancy.
- the opinion of the user or relevant expert about the asset's "useful life"; and
- the repairs and maintenance practice of the Electoral Commission in assessing the useful life of an asset.

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

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 annually. Where expectations differ from previous estimates, the change(s) are accounted for as a change in accounting estimate.

The review of assets' useful lives may, or may not, result in useful lives that differ from the estimates per asset class assigned upon initial recognition.

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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition 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 Electoral Commission; 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, a heritage asset is not depreciated and is carried at cost less accumulated impairment losses.

The Electoral Commission will assess at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the Electoral Commission shall estimate the recoverable amount or the recoverable service amount of the heritage asset.

In assessing whether there is an indication that an asset may be impaired, the Electoral Commission shall consider, as a minimum, the following indications:

External sources of information:

- during the period, a heritage asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use; and
- the absence of an active market for a revalued heritage asset.

Internal sources of information:

- evidence is available of physical damage or deterioration of a heritage asset; and
- a decision to halt the construction of the heritage asset before it is complete or in a usable form.

Compensation from third parties for heritage assets that have been impaired, lost or given up shall be included in surplus or deficit when the compensation becomes receivable.

Transfers from heritage assets shall be made when, and only when, the particular asset no longer meets the definition of a heritage asset.

The carrying amount of a heritage asset shall be derecognised:

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

The gain or loss arising from derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

Information about assets that might be regarded as a heritage asset, but which, on initial recognition, do not meet the recognition criteria of heritage assets because they cannot be reliably measured are disclosed in the notes to the financial statements when applicable.

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.

The cost of an intangible 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 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, professional fees, initial delivery and handling costs, installation and assembly costs, and other transaction costs.

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, mobile apps, 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.

Item	Estimated useful life in years
Computer software	5–10 years

The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period. The amortisation charge for each period shall be recognised in surplus or deficit unless this or another Standard permits or requires it to be included in the carrying amount of another asset. Intangible assets not ready for use are not amortised.

The carrying amount of an intangible asset shall be derecognised:

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

1.7 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.

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 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.

1.8 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, sponsorship income and voting station rentals received at no cost from service providers.

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.

Recognition

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

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Electoral Commission. When, as a result of a non-exchange transaction, the Electoral Commission recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised, it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue.

When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

1.9 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 (i.e. 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 (i.e. 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.

1.10 Finance cost

Finance cost comprises the following:

- Interest expense on overdue accounts from service providers

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

1.11 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.

1.12 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.

The Electoral Commission is not registered for value-added tax (VAT).

1.13 Segment reporting

A segment is an activity of an organisation:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same organisation);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

The Electoral Commission is organised in geographical areas and has a national office, nine provincial offices, 10 warehouses and 213 local offices. All services to voters and potential voters are delivered at all provincial and local offices. The national office is responsible for strategic and support services.

1.14 Leases

Operating leases as the lessee

Lessees shall, in addition to meeting the requirements of GRAP 104, make the following disclosures for operating leases:

(a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:
- not later than one year;
- later than one year and not later than five years; and
- later than five years;

(b) The total of future minimum sublease payments expected to be received under non-cancellable subleases at the reporting date;

(c) Lease and sublease payments recognised in the Statement of Financial Performance in the period, with separate amounts for minimum lease payments, contingent rents, and sublease payments; and

(d) A general description of the lessee's significant leasing arrangements including, but not limited to, the following:
- the basis on which contingent rent payable is determined;
- the existence and terms of renewal or purchase options and escalation clauses; and
- restrictions imposed by lease arrangements, such as those concerning return of surplus, return of capital contributions, dividends or similar distributions, additional debt, and further leasing.

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 Electoral Commission 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.

Lump sum payments on normal retirement or voluntary retirement are made in terms of section 8 of the Employment Regulations of the Electoral Commission and are provided for at year-end based on reasonable assumptions on the expectation of retirements in the next financial year.

Retirement benefits – defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Electoral Commission pays fixed contributions into a separate entity (the Government Employees' Pension Fund or GEPF) and will have no legal or constructive obligation to pay further amounts.

The Electoral Commission operates a defined contribution retirement plan for its employees.The assets of the plans are held separately and administered by the GEPF.

Payments to the defined contribution plan are recognised 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, after taking into account the estimated leave to be forfeited, is raised as a result of services rendered by employees up to the reporting date.

Long-service awards

Long-service awards are paid to employees who have reached five, 10 or 15 years of service with the Electoral Commission.

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 the fair value of an asset or cash-generating unit (CGU) 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 Electoral Commission estimates the recoverable amount of the asset or CGU. 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 Electoral Commission 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 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 Electoral Commission 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 Electoral Commission 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; and
- 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.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements is updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by National Treasury or the relevant authority is recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account is created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Officer may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto remains against the relevant programme/expenditure item, and is disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

All irregular expenditure is investigated. In instances where fraud, corruption or criminal activities have been identified the necessary disciplinary procedures are implemented and civil and criminal cases will be made as appropriate. In other instances the controls are reviewed, and improved where necessary, and training interventions conducted.

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 accounted for as revenue in the Statement of Financial Performance.

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time.

This increase is recognised as an interest expense.

A provision is only used for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

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 only be confirmed 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.

1.20 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 the Electoral Commission.

Implicit in the definition of a 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

2. Effect of new Standards and Interpretations of GRAP

The following Standards and Interpretations of GRAP have been approved, but are not yet effective:

- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investments in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interests in Other Entities
- GRAP 104 : Financial Instruments
- GRAP 110: Living and Non-living Resources

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

The adoption of these Standards of GRAP, 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 34, 35, 36, 37, 38 and 110.

The following approved standard is being applied but the effective date is yet to be determined by the ASB:

- GRAP 104: Financial Instruments

Notes to the Annual Financial Statements

	Note	31 March 2019 R	31 March 2018 R

3. Financial assets and liabilities by category

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

Financial assets recognised at amortised cost

Accrued interest	5	1 860 000	130 201
Cash and cash equivalents	4	617 243 284	129 966 145
Cash collateral provided: property rentals	5	14 934 133	14 004 030
Sundry receivables	5	142 099	1 181 621
		634 179 516	**145 281 997**

Financial assets are not pledged as collateral for liabilities or contingent liabilities.

Financial liabilities recognised at amortised cost

Trade and other payables	10	240 737 773	137 238 647
		240 737 773	**137 238 647**

4. Cash and cash equivalents

Cash on hand	222 415	209 839
Bank balances	52 575 617	21 268 753
Short-term notice deposits	564 445 252	108 487 553
	617 243 284	**129 966 145**

The notice deposits are carried at an effective floating interest rate that varied between 5.9% and 6.77% (2018: 6.20% and 6.7%).

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

5. Trade and other receivables from exchange transactions

Accrued interest		1 860 000	130 201
Cash collateral provided: property rentals		14 934 133	14 004 030
Prepayments	5.1	32 765 325	17 137 427
		142 099	1 181 621
Sundry receivables		635 333	1 961 641
Less: Impairment allowance		(493 234)	(780 020)
		49 701 557	**32 453 279**

	Note	31 March 2019 R	31 March 2018 R

Trade and other receivables past due but not impaired

At 31 March 2019, all debt that was past due was impaired (2018: none).

Trade and other receivables impaired

As of 31 March 2019, trade and other receivables of R493 234 (2018: R780 020) were impaired and provided for. Factors taken into account when considering impairment included the age of the debt and the likelihood of recovery.

The ageing of impaired debts is as follows:

Not due	91 952	182 973
31–120 days past due	430	14 237
120–365 days past due	1 962	41 275
More than 365 days past due	398 890	541 535
	493 234	**780 020**

Reconciliation of allowance for impairment of trade and other receivables

Opening balance	780 020	684 383
Provision for impairment	(264 940)	249 230
Unused amounts reversed	–	–
Write-off	(21 846)	(153 593)
	493 234	**780 020**

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

Trade and other receivables pledged as security

The Electoral Commission has not pledged any trade and other receivables as collateral.

5.1 Prepayments

Deposit for election venue	13 898 305	–
Administrative expenses	4 728 671	55 172
Software licences	13 948 635	16 996 729
Subscription and membership	189 714	85 526
	32 765 325	**17 137 427**

6. Inventories

Consumable stores: Stationery	514 458	395 515
Promotional items	22 965	22 965
Electoral stock	45 243 225	8 622 650
	45 780 648	**9 041 130**

Electoral stock is stock that was acquired for the registration weekend and in preparation for elections, and includes items such as ballot boxes and security items.

Inventories are not pledged as security.

7. Property, plant and equipment (All figures in rand)

	31 March 2019			31 March 2018		
	Cost	Accumulated depreciation and impairment losses	Carrying amount	Cost	Accumulated depreciation and impairment losses	Carrying amount
Appliances	5 014 754	(4 075 699)	**939 055**	4 924 704	(3 813 218)	**1 111 486**
Cell phones	535	(522)	**13**	535	(517)	**18**
Computer equipment	163 656 499	(113 593 795)	**50 062 704**	145 611 582	(104 237 498)	**41 374 084**
Furniture and fittings	78 547 943	(39 405 090)	**39 142 853**	74 357 880	(34 910 986)	**39 446 894**
Leasehold improvements	4 395 014	(2 939 683)	**1 455 331**	3 911 522	(2 529 795)	**1 381 727**
Motor vehicles	76 940 697	(34 267 314)	**42 673 383**	63 664 563	(31 724 773)	**31 939 790**
Office equipment	52 372 540	(39 450 129)	**12 922 411**	52 048 677	(35 853 036)	**16 195 641**
Pre-fabricated buildings	15 425 860	(2 405 018)	**13 020 842**	14 595 611	(1 883 991)	**12 711 620**
Scanners	181 996 251	(175 947 020)	**6 049 231**	181 998 791	(181 966 847)	**31 944**
Total	**578 350 093**	**(412 084 270)**	**166 265 823**	**541 113 865**	**(396 920 661)**	**144 193 204**

Reconciliation of property, plant and equipment – 31 March 2019

	Opening balance	Additions	Disposals	Asset WIP	Depreciation	Impairment loss	Impairment reversal	Closing balance
Appliances	1 111 486	131 586	(4 066)	–	(295 605)	(4 346)	–	**939 055**
Cell phones	18	–	–	–	(5)	–	–	**13**
Computer equipment	41 374 084	18 492 647	(21 510)	–	(9 773 930)	(8 587)	–	**50 062 704**
Furniture and fittings	39 446 894	4 873 710	(188 005)	–	(4 891 517)	(98 229)	–	**39 142 853**
Leasehold improvements	1 381 727	551 778	(34 397)	–	(443 777)	–	–	**1 455 331**
Motor vehicles	31 939 790	14 185 881	(408 685)	–	(3 043 603)	–	–	**42 673 383**
Office equipment	16 195 641	1 764 366	(56 768)	35 315	(4 970 477)	(45 666)	–	**12 922 411**
Pre-fabricated buildings	12 711 620	830 249	–	–	(520 938)	(89)	–	**13 020 842**
Scanners	31 944	–	(844)	–	(4 006 949)	–	10 025 080	**6 049 231**
Total	**144 193 204**	**40 830 217**	**(714 275)**	**35 315**	**(27 946 801)**	**(156 917)**	**10 025 080**	**166 265 823**

There are no restrictions on title and disposal of property, plant and equipment. Property, plant and equipment are not allowed to be pledged as securities for liabilities. Asset condition and technological obsolescence were taken into consideration when determining whether the asset should be impaired. Repairs and maintenance relating to property plant and equipment is R16 549 963 (2018: R16 701 977).

Reconciliation of property, plant and equipment – 31 March 2018

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Appliances	1 442 707	59 230	(2 136)	(383 047)	(5 268)	**1 111 486**
Cell phones	24	–	–	(6)	–	**18**
Computer equipment	51 241 261	1 570	(21 834)	(9 792 521)	(54 392)	**41 374 084**
Furniture and fittings	44 402 535	6 018	(111 465)	(4 713 088)	(137 106)	**39 446 894**
Leasehold improvements	1 921 077	129 325	(320 518)	(348 157)	–	**1 381 727**
Motor vehicles	35 790 122	–	(378 677)	(3 471 655)	–	**31 939 790**
Office equipment	19 861 492	1 550 634	(19 942)	(5 169 911)	(26 632)	**16 195 641**
Pre-fabricated buildings	13 221 992	1 999	(1)	(512 284)	(86)	**12 711 620**
Scanners	29 824 212	–	–	(19 767 188)	(10 025 080)	**31 944**
Total	**197 705 422**	**1 748 776**	**(854 573)**	**(44 157 857)**	**(10 248 564)**	**144 193 204**

8. Heritage assets (All figures in rand)

	31 March 2019			31 March 2018		
	Cost	Accumulated impairment losses	Carrying amount	Cost	Accumulated impairment losses	Carrying amount
Artwork	1 676 486	(5 033)	**1 671 453**	1 668 766	(4 345)	**1 664 421**

Reconciliation of heritage assets – 31 March 2019

	Opening balance	Additions	Disposals	Impairment loss	Closing balance
Artwork	1 664 421	9 180	(1 460)	(687)	**1 671 453**

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

Reconciliation of heritage assets – 31 March 2018

	Opening balance	Additions	Disposals	Impairment loss	Closing balance
Artwork	1 663 664	1 529	–	(772)	**1 664 421**

There are no restrictions on title and disposal of heritage assets.

Heritage assets are not pledged as securities for liabilities.

9. Intangible assets (All figures in rand)

	31 March 2019			31 March 2018		
	Cost	Accumulated depreciation and impairment losses	Carrying amount	Cost	Accumulated depreciation and impairment losses	Carrying amount
Computer software	208 460 861	(130 152 149)	**78 308 712**	194 741 846	(113 247 146)	**81 494 700**

Reconciliation of intangible assets – 31 March 2019

	Opening balance	Additions	Additions – Internally generated	Disposal	Amortisation	Closing balance
Computer software	81 494 700	551 563	14 050 582	(36 051)	**(17 752 082)**	**78 308 712**

Reconciliation of intangible assets – 31 March 2018

	Opening balance	Additions	Assets brought into use	Amortisation	Closing balance
Computer software	94 809 947	4 938 799	–	(18 254 046)	**81 494 700**

Intangible assets are not pledged as securities for liabilities.

	Note	31 March 2019 R	31 March 2018 R

10. Trade and other payables from exchange transactions

Trade payables	109 840 990	35 852 715
Payroll payables	31 314 222	33 329 096
Leave pay accruals	76 739 437	58 424 707
Deposits received*	22 538 865	154 700
EFTs not cleared for payment at year-end	304 259	9 477 429
	240 737 773	**137 238 647**

Deposits received relates to political parties' registration fee for NPE 2019

11. Operating lease liability

Operating lease straight lining

Due within 12 months	8 924 894	3 507 825
Due after 12 months	30 964 084	38 944 549
	39 888 978	**42 452 374**
Total minimum lease payments		
Not later than one year	102 134 597	94 029 304
Later than one year and not later than five years	237 223 700	259 562 750
Later than five years	31 728 229	49 301 495
	371 086 526	**402 893 549**

The minimum lease payments reflected above relate to building lease commitments in respect of contracts that were in place and active as at 31 March 2019 only. Other contractual commitments, including new leases that were not active at 31 March 2019 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 213 local electoral offices (2018: 233). No contingent rent is payable. New contracts entered into have an average term of five to seven years and escalate at an average of 8% per annum. The Commission has leased 71 (2018: 74) local offices from various municipalities across the country at no cost to the Commission. The fair value of the rental for these offices could not be reliably determined as at 31 March 2019. Revenue from non-exchange transactions have therefore not been recognised in this regard.

12. Provisions

Reconciliation of provisions

	Opening balance	Paid during the year	Additional provisions made in the year	Closing balance
March 2019				
Lump sum retirement	2 101 808	–	3 293 090	**5 394 898**
March 2018				
Lump sum retirement	–	–	2 101 808	**2 101 808**

Lump sum retirement – a provision is made for employees who have reached 60 years of age and may choose to retire. A rate of 5% was applied to the amount payable to all employees having reached the age of 60 years but not yet at retirement age (early retirement) which is based on actual percentage of early retirements in the past three years. A payment is made when an employee reaches retirement age or chose to retire early in the 2019/20 financial year.

	Note	31 March 2019 R	31 March 2018 R

13. Revenue from non-exchange transactions

Parliamentary allocation	1 965 004 000	1 299 912 000
Lease revenue	2 600 219	2 077 670
	1 967 604 219	**1 301 989 670**

Lease revenue represents savings on local office voting stations offered at no cost by service providers.

14. Revenue from exchange transactions

Political party registration fees		39 700	21 100
Investment revenue		41 774 662	14 704 617
Other operating revenue	**14.1**	209 433	535 777
		42 023 795	**15 261 494**

Investment revenue represents interest received on cash and cash equivalents. These investments are held with one of the top 4 South African banks.

14.1 Other operating revenue

Elections-related revenue	5 396	10 138
Commissions earned	16 304	22 373
Short message services (SMS)	137 003	6 403
Other operating income	50 730	494 547
Bad debt recovered	–	2 316
	209 433	**535 777**

Other income is mostly made up of sale of waste paper.

15. Employee-related costs

Wages and salaries	671 728 911	551 874 290
Allowances	15 830 260	13 530 184
Employer contributions to defined-contribution plan	39 172 887	38 818 481
Employer contributions: Other	18 505 834	5 415 134
Leave accrual	20 621 544	6 919 818
Lump sums – retirement	6 531 419	6 157 188
Relocation costs	671 541	238 744
Long-service awards	20 884 215	5 855 496
Deployment cost	–	9 017
	793 946 611	**638 818 352**

	Note	31 March 2019 R	31 March 2018 R

16. Goods and services

Advertising	45 418 601	75 834 626
Bank charges	2 239 151	1 137 687
Catering	1 721 157	1 216 115
Communications and connectivity	42 368 922	40 716 868
Conferences and workshops	41 372 283	11 234 911
Consumables	2 355 562	2 105 603
Insurance	1 891 611	2 351 661
Inventory	17 297 893	7 707 437
Printing and stationery	27 091 101	7 426 559
Professional services	178 401 406	145 706 853
Property expenses – other	18 673 228	17 203 762
Property expenses – voting station rentals	17 224 810	15 887 597
Rentals equipment	5 211 331	4 991 960
Software licenses	31 003 251	27 613 873
Storage and distribution costs	12 690 545	7 545 821
Study expenditure	861 190	2 406 045
Repairs and maintenance	16 677 250	16 804 023
Subscriptions and membership fees	1 552 801	1 414 940
Subsistence and travel	94 863 217	70 206 023
Voting station staff	77 552 555	57 625 036
Other permanent and fixed-term staff	17 310 662	12 580 986
Sundry expenditure	7 675	89 679
Travel expenses	51 918 921	23 679 655
	610 841 906	**483 281 699**

17. Depreciation, amortisation and impairment

Amortisation	17 752 082	18 254 045
Depreciation	27 946 801	44 157 856
Increase in impairment allowance – heritage assets	687	772
(decrease) / increase in impairment allowance – property, plant and equipment	(9 868 163)	10 248 564
	35 831 407	**72 661 237**

The decrease in impairment of property, plant and equipment above relates to the reversal of the write down of zip zip scanners. The purchase of new voter registration devices has been postponed.

18. Audit fees

Auditor-General	**8 431 622**	**6 841 651**

19. Lease rental costs

Lease rental costs	**104 798 727**	**93 744 745**

The lease rental cost is the smoothed cost of the rentals paid for national, provincial and local municipal offices, and warehouses.

	Note	31 March 2019 R	31 March 2018 R
20. Finance costs			
Interest paid on late payments to suppliers		6 215	13 687
Exchange loss (gain)		3 097	942
		9 312	**14 629**
21. Debt impairment			
Write-offs		–	4 045
Debt impairment		(232 962)	259 325
		(232 962)	**263 370**
22. Deficit on disposal of assets			
Deficit on disposal of property, plant and equipment (PPE)		**(166 093)**	**(178 185)**
Composition of deficit from sale of PPE			
Disposal of PPE		(751 786)	(854 574)
Proceeds from sale of property, plant and equipment		585 693	676 389
Deficit on disposal of property, plant and equipment		**(166 093)**	**(178 185)**
23. Cash generated from operations			
Surplus/(deficit) for the year		455 835 298	21 447 296
Adjustments for:			
Depreciation, amortisation and impairment	17	35 831 407	72 661 237
Deficit on disposal of assets	22	166 093	178 185
Movements in operating lease liability and accruals		(2 563 395)	(82 144)
Movements in provisions		3 293 090	378 299
Debt impairment		232 962	263 370
Foreign exchange		3 104	942
Other prior year period error		94 479	–
Changes in working capital:			
Decrease in inventories		(36 972 480)	2 870 785
Increase in trade and other receivables from exchange transactions		(17 248 278)	(10 364 164)
Increase in trade and other payables from exchange transactions		103 496 020	34 547 013
		542 168 300	**121 900 819**

	Note	31 March 2019 R	31 March 2018 R

24. Commitments

Commitments for operational expenditure		Restated*
Contracted	164 558 685	166 475 691
Approved but not contracted	20 789 122	23 347 523
Total commitments	**185 347 807**	**189 823 214**
Not later than one year	92 455 477	108 601 814
Later than one year and not later than five years	47 857 135	56 261 910
Later than five years	24 246 073	1 611 967
Approved but not contracted	20 789 122	23 347 523
Total commitments	**185 347 807**	**189 823 214**

Commitments disclosed take into consideration the escalation clauses as per the contractual agreements. The operating lease commitments in respect of contracts on which payments had been made during the year have been disclosed in the operating lease liability note (Note 11). An additional amount of R25 042 567 is in respect of a contract for office accommodation that has not yet commenced.

25. Contingencies

Legal	27 328 027	21 768 379
Staff	2 382 295	1 126 558
Other	–	1 512 492
Total contingencies	**29 710 322**	**24 407 429**

Legal contingencies relate to civil claims against the Electoral Commission. Staff contingencies relate to cases currently under consideration in terms of internal policies, by the CCMA or with the courts, while other contingencies relate to a contractual dispute with a service provider. The increase in legal contingencies relates to, among others, interest incurred while the matters are pending completion. The likelihood of these succeeding is difficult to determine.

26. Financial instrument risk management

Financial risk management

The Electoral Commission's activities have limited exposure to credit risk, liquidity risk and market 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 its underlying operations, the Electoral Commission aims to maintain sufficient funding through a robust MTEF budgeting process.

The following are the contractual maturities of financial liabilities:

	Carrying amounts R	Contractual cash flow R	1–12 months R	2–5 years R	Later than 5 years R
2019					
Trade and other payables	240 737 773	240 737 773	240 737 773	–	–
2018					
Trade and other payables	137 238 647	137 238 647	137 238 647	–	–

	Note	31 March 2019 R	31 March 2018 R

Credit risk

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. There is minimal risk attached to trade and other receivables as these mainly relate to property rental deposit, prepayments and staff debts.

The maximum exposure at the reporting date was:

Cash and cash equivalents (Note 4)	617 243 284	129 966 145
Trade and other receivables from exchange transactions (Note 5)	49 701 557	32 453 279
	666 944 841	**162 419 424**

The maximum exposure to credit risk for trade receivables at the reporting date by category is:

Cash collateral provided (Note 5)	14 934 133	14 004 030
Accrued interest – major South African banks	1 860 000	130 201
Sundry receivables – employees and suppliers (Note 5)	635 333	1 961 641
Less: Impairment allowance	(493 234)	(780 020)
	16 936 232	**15 315 852**

Impairment losses

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

Not past due	**16 936 232**	**15 315 852**

An amount of R493 234 (2018: R780 020) has been provided for as doubtful debts and is included in the amounts disclosed above. This provision relates to identified debtors that were considered doubtful and were not likely to be received.

Cash flow

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

Parliamentary allocation	**1 965 004 000**	**1 299 912 000**

27. Related parties

Key management compensation

	Salary	Short-term benefits	Total 2019	Total 2018
Commissioners				
Chairperson	1 673 742	898 160	2 571 902	2 436 199
Vice-Chairperson[1]	804 612	533 004	1 337 616	2 130 020
Vice-Chairperson[2]	1 020 408	394 392	1 414 800	291 434
Full-time Commissioner[3]	1 856 718	1 258 349	3 115 067	2 130 020
	5 355 480	**3 083 905**	**8 439 385**	**6 987 673**

1. The former part-time Commissioner was appointed full-time as Vice-Chairperson effective 5 November 2018 for the duration of her seven-year term.
2. The term of the Vice-Chairperson and full-time Commissioner ended on 2 November 2018.
3. Two full-time Commissioners were appointed on 5 November 2018 for a seven-year term.

Commissioners do not qualify for membership of the GEPF.

	Salary	Short-term benefits	Heightened activity	Total 2019	Total 2018
Executive management salaries					
Chief Electoral Officer [1]	–	–	–	–	2 243 873
Chief Electoral Officer	2 148 675	512 439	298 126	2 959 240	2 875 890
Deputy CEO: Electoral Operations[2]	954 627	180 204	69 881	1 204 712	–
Deputy CEO: Outreach[3]	1 095 873	206 372	215 216	1 517 461	2 230 121
Acting Deputy CEO: Outreach[4]	268 157	37 427	–	305 584	–
Deputy CEO: Corporate Services	1 636 503	223 404	169 971	2 029 878	849 261
Acting Chief Financial Officer	777 726	357 278	107 812	1 242 816	1 273 628
Chief Financial Officer [5]	578 982	80 076	40 054	699 112	–
Chief Information Officer	1 633 068	222 682	226 160	2 081 910	2 039 473
	9 093 611	1 819 882	1 127 220	12 040 713	11 512 246
Total key management compensation	**14 449 091**	**4 903 787**	**1 127 220**	**20 480 098**	**18 499 918**

1 The amount of R2 243 873 relates to a GEPF payment to cover pension of the former CEO. The CEO contract expired on 31 March 2017. The payment was made in terms of the GEPF rules.
2 The DCEO: Electoral Operations was appointed effective 1 September 2018.
3 The Deputy CEO: Outreach was appointed as Commissioner effective 5 November 2018 for a period of seven years.
4 The Acting Deputy CEO: Outreach was appointed effective 1 February 2019.
5 The Chief Financial Officer was appointed on 1 November 2018 and resigned effective 29 February 2019, and an interim CFO was appointed on 3 April 2019.

	Note	31 March 2019 R	31 March 2018 R
Related-party balances			
Represented Political Parties Fund		**1 030 146**	**998 122**

The balance relates to fees charged for administrative services.

28. Irregular expenditure

Opening balance	58 700 040	225 093 515
Add: Irregular expenditure incurred in the current year	131 869 723	71 247 803
Add: Irregular expenditure incurred in previous years identified in current year	312 128	12 082 109
Current year		
Less: Amount condoned in the current year	(166 881 190)	(249 723 387)
Lump-sum payments (current year)	(487 104)	(4 055 380)
Lump-sum payments (prior year)	–	(11 929 199)
Riverside Office Park lease (current year)	(13 909 492)	(40 279 756)
Riverside Office Park lease (prior year)	–	(193 459 052)
Tax clearance certificate (current year)	(243 149)	–
Tax clearance certificate (prior year)	(10 746 992)	–
Non-compliance with SCM policy BAC (current year)	(101 170 917)	–
Non-compliance with SCM policy BAC (prior year)	(25 655 478)	–
Approval for deviation not requested from National Treasury (current year)	(286 541)	–
Approval for deviations not requested from National Treasury (prior year)	(838 000)	–
Failure to indicate evaluation criteria on requests for quotations over R30 000.00 (prior year)	(9 404 944)	–
Other-compliance matters (prior year)	(4 138 573)	–
	24 000 701	**58 700 040**

	Note	31 March 2019 R	31 March 2018 R

Irregular expenditure relates to non-compliance with the Treasury Regulations, Preferential Procurement Policy Framework Act (PPPFA) and non-compliance with any other regulations governing the Electoral Commission.

28.1 Irregular expenditure incurred

Riverside Office Park – lease contract	13 909 492	40 279 756
The lease was subject to judicial review at the Northern Gauteng High Court, which came to the conclusion that it will not be in the interest of justice to set the lease aside.		
Non-compliance with employment regulations	487 104	15 984 579
Lump sum payments made to staff on retirement is based on the Commission's employment regulations. The total amount incurred has been condoned and a process has been implemented to prevent further irregular expenditure from being incurred. Employment regulations have been updated and gazetted as of 1 November 2018 to prevent further irregular expenditure.		
Tax clearance certificates	243 149	390 461
Tax clearance certificates are obtained and validated on the date of close of bids. The Auditor-General has now indicated that a second check needs to be made to ensure that tax affairs remain in order for potential suppliers on the date of award of contract. The irregular expenditure incurred in the current year relates to the non-compliance identified in the prior year and will continue to be incurred until the expiry of the contract.		
Non-compliance with SCM Policy	101 170 917	25 655 478
The Bid Adjudication Committee (BAC) was not constituted in compliance with the Electoral Commission's terms of reference. No financial misconduct occurred and services were duly received by the Commission.		
Approval for deviations not requested from National Treasury	286 541	838 000
Deviation from competitive bidding, which was approved by the Commission. National Treasury approval was not requested.		
Other current-year non-compliance	16 084 648	181 638
Expenditure incurred in the current year where processes were non-compliant with procurement regulations. There is no loss to the Electoral Commission.		
	132 181 851	**83 329 912**

28.2 Condonation

28.2.1 Expenditure condoned during the year

Non-compliance with employment regulations (lump-sum payments)	487 104	15 984 579
Riverside Office Park – lease contract	13 909 492	233 738 808
Non-compliance with procurement regulations	152 484 594	–
	166 881 190	**249 723 387**

28.2.2 Expenditure awaiting condonation

Failure to obtain a tax clearance certificate	–	10 746 992
Incorrect (10%) cash allowance benefit paid to Commissioners	1 796 569	1 796 569
Failure to indicate evaluation criteria on requests for quotations over R30 000	386 785	9 791 729
Non-compliance identified during the year	21 817 347	838 000
Bid adjudication composition	–	25 655 478
Other non-compliant matters	–	9 871 272
	24 000 701	**58 700 040**

28.3 Consequence management

In instances where fraud, corruption or criminal activities have been identified, the necessary disciplinary procedures have been implemented and civil and criminal cases have been made as appropriate. In other instances the controls have been reviewed, and improved where necessary, and training interventions have been or will be conducted. Investigations are ongoing in relation to transactions that have been identified as potentially irregular, and if confirmed as irregular, this will be disclosed in the year in which the irregularity is confirmed.

	Note	31 March 2019 R	31 March 2018 R

29. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	**1 327 469**	**1 292 454**
Made up as follows:		
Opening balance	1 292 454	86 676
Add: Fruitless and wasteful expenditure in the current year		–
Interest incurred due to late payments of invoices	6 215	13 687
Payment made to an incorrect service provider	28 800	–
Financial misconduct incurred due to unauthorised use of one petrol card	–	91 346
Add: Fruitless and wasteful expenditure incurred in previous years identified in the current year		
Financial misconduct incurred due to unauthorised use of one petrol card	–	1 100 745
	1 327 469	**1 292 454**

Fruitless and wasteful expenditure incurred in the current year as a result of late payments are being investigated and corrective action will be taken. Payment made to incorrect service provider is being pursued to recover the funds.

30. Explanation of variances between Budget and Statement of Financial Performance

1 Revenue: The increase in revenue is mainly due to investment revenue being higher than budgeted. This is due to the procurement of voter registration devices (VRDs) and the ICT refresh project being delayed, as well as procurement processes in relation to the election rolling over into the 2019/20 financial year.

2 Employee-related costs: Budget provision does not include payroll-related provisions such as leave accruals.

3 Goods and services: The underspend on goods and services is mainly due to the procurement of VRDs and the ICT refresh project being delayed, as well as procurement processes in relation to the election rolling over into the 2019/20 financial year.

4 Depreciation, amortisation and impairment: Budget provision was made for the projected finance lease in relation to the VRDs.

31. Prior-year period error

Commitments	86 887 127

Commitments in the prior period were restated to include a contractual commitment that existed in the prior year, but was not included in the total commitments in the annual financial statements. The impact of the restatement on the 2017/18 disclosure note is as follows:

Commitments	Due in one year	2–5 years	More than 5 years	Approved but not contracted	Total
Before restatement	50 677 062	27 299 535	1 611 967	23 347 523	**102 936 087**
After restatement	108 601 814	56 261 910	1 611 967	23 347 523	**189 823 214**
Total restatement					**86 887 127**

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Statement of Financial Performance

2018/2019	National Office	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Mpumalanga	Northern Cape	Limpopo	North West	Western Cape	Total
REVENUE											
Revenue from non-exchange transactions	1 965 004 000										1 965 004 000
Inter-segment transfers	(946 608 357)	172 708 428	72 256 067	97 356 642	175 885 634	80 941 994	72 278 137	109 911 215	77 585 298	87 684 942	-
Lease revenue	2 600 219										2 600 219
Revenue from exchange transfers	41 983 073		–	1 432	25 929		3 771	2 656	6 941	–	42 023 802
Total segment revenue	**1 062 978 935**	**172 708 428**	**72 256 067**	**97 358 074**	**175 911 563**	**80 941 994**	**72 281 908**	**109 913 871**	**77 592 239**	**87 684 942**	**2 009 628 021**
Employee cost	(180 427 076)	(108 976 127)	(46 985 496)	(62 904 926)	(116 354 854)	(49 303 997)	(48 160 372)	(74 001 004)	(50 587 005)	(56 245 754)	**(793 946 611)**
Goods and Services	(380 146 857)	(46 542 391)	(18 820 467)	(25 303 478)	(46 183 864)	(20 804 728)	(14 817 032)	(27 923 337)	(19 514 488)	(19 216 886)	**(619 273 528)**
Depreciation and amortisation	(22 751 585)	(1 880 750)	(1 037 084)	(1 507 788)	(2 420 550)	(1 120 874)	(1 315 372)	(1 490 898)	(1 149 308)	(1 157 198)	**(35 831 407)**
Debt impairment	232 962	–	–	–	–	–	–	–	–	–	**232 962**
Finance cost	(2 849)	(932)	–	–	(1 372)	–	(2 827)	(591)	(748)	–	**(9 319)**
Operating lease expense	(39 376 534)	(14 671 092)	(3 745 368)	(4 811 861)	(9 525 768)	(7 621 825)	(5 890 876)	(6 320 346)	(4 883 555)	(7 951 502)	**(104 798 727)**
Total segment expenses	**(622 471 939)**	**(172 071 292)**	**(70 588 415)**	**(94 528 053)**	**(174 486 408)**	**(78 851 424)**	**(70 186 479)**	**(109 736 176)**	**(76 135 104)**	**(84 571 340)**	**(1 553 626 630)**
(Deficit) on sale of assets	**(24 644)**	**62 632**	**6 453**	**(12 764)**	**(37 838)**	**(36 736)**	**(49 953)**	**(69 775)**	**(473)**	**(2 995)**	**(166 093)**
Surplus/ (deficit) for the year	**440 482 352**	**699 768**	**1 674 105**	**2 817 257**	**1 387 317**	**2 053 834**	**2 045 476**	**107 920**	**1 456 662**	**3 110 607**	**455 835 298**

Statement of Financial Position

2018/2019	National Office	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Mpumalanga	Northern Cape	Limpopo	North West	Western Cape	Total
Current assets	**664 018 016**	**8 309 930**	**3 567 596**	**6 995 769**	**8 374 943**	**4 258 064**	**3 636 408**	**4 895 835**	**3 795 338**	**4 873 590**	**712 725 489**
Trade and other receivables	44 949 550	915 488	307 879	400 980	655 197	413 190	393 053	267 374	257 795	1 141 051	**49 701 557**
Cash and cash equivalents	604 055 020	2 818 188	1 136 295	1 030 961	2 044 327	1 357 546	1 852 058	1 119 157	677 914	1 151 818	**617 243 284**
Inventories	15 013 446	4 576 254	2 123 422	5 563 828	5 675 419	2 487 328	1 391 297	3 509 304	2 859 629	2 580 721	**45 780 648**
Non-current assets	**149 905 131**	**13 816 577**	**6 409 706**	**8 838 134**	**18 947 560**	**7 681 544**	**13 164 619**	**9 881 614**	**9 305 299**	**8 295 804**	**246 245 988**
PPE	70 118 946	13 704 625	6 396 307	8 812 887	18 936 837	7 674 312	13 157 046	9 881 614	9 289 629	8 293 620	**166 265 823**
Heritage	1 477 473	111 952	13 399	25 247	10 723	7 232	7 573	–	15 670	2 184	**1 671 453**
Intangibles	78 308 712	–	–	–	–	–	–	–	–	–	**78 308 712**
Total assets	**813 923 147**	**22 126 507**	**9 977 302**	**15 833 902**	**27 322 503**	**11 939 609**	**16 801 027**	**14 777 449**	**13 100 636**	**13 169 395**	**958 971 477**
LIABILITIES											
Current liabilities	**226 067 892**	**5 250 860**	**2 635 569**	**3 433 156**	**4 527 678**	**2 349 814**	**3 861 951**	**2 030 666**	**2 672 961**	**2 227 018**	**255 057 565**
Trade payables	212 935 114	5 993 506	2 770 558	3 408 002	4 016 079	1 926 743	3 378 583	2 286 327	2 383 264	1 639 597	**240 737 773**
Provision – long service	1 800 848	88 091	13 862	127 865	596 179	618 407	772 891	112 307	474 783	789 665	**5 394 898**
Current short-term portion of lease	11 331 930	(830 737)	(148 851)	(102 711)	(84 580)	(195 336)	(289 523)	(367 968)	(185 086)	(202 244)	**8 924 894**
Non-current liabilities	**17 007 464**	**4 033 032**	**552 255**	**402 955**	**1 580 833**	**1 256 641**	**1 482 884**	**1 533 990**	**1 141 104**	**1 972 926**	**30 964 084**
Operating lease liability	17 007 464	4 033 032	552 255	402 955	1 580 833	1 256 641	1 482 884	1 533 990	1 141 104	1 972 926	30 964 084
Total liabilities	**243 075 356**	**9 283 892**	**3 187 824**	**3 836 111**	**6 108 511**	**3 606 455**	**5 344 835**	**3 564 656**	**3 814 065**	**4 199 944**	**286 021 649**
Accumulated surplus	672 949 828	–	–	–	–	–	–	–	–	–	672 949 828
Total liabilities and net assets	**916 025 184**	**9 283 892**	**3 187 824**	**3 836 111**	**6 108 511**	**3 606 455**	**5 344 835**	**3 564 656**	**3 814 065**	**4 199 944**	**958 971 477**
Number of employees											
Permanent	**138**	**169**	**54**	**71**	**142**	**60**	**92**	**55**	**76**	**68**	**925**
Number of offices	**2**	**40**	**20**	**38**	**52**	**18**	**26**	**27**	**19**	**30**	**272**

SEGMENT REPORTING AS AT 31 MARCH 2018

2017/ 2018	National Office	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Mpumalanga	Northern Cape	Limpopo	North West	Western Cape	Total
REVENUE											
Revenue from non-exchange transactions	1 299 912 000	–	–	–	–	–	–	–	–	–	**1 299 912 000**
Inter-segment transfers	(716 402 148)	131 808 007	57 657 039	70 968 092	131 857 964	61 079 911	84 078 462	53 463 855	59 751 655	65 737 163	**–**
Sponsorship income	17 339 164	–	–	–	–	–	–	–	–	–	**17 339 164**
Total segment revenue	**600 849 016**	**131 808 007**	**57 657 039**	**70 968 092**	**131 857 964**	**61 079 911**	**84 078 462**	**53 463 855**	**59 751 655**	**65 737 163**	**1 317 251 164**
Employee cost	143 588 541	91 241 384	39 829 571	47 391 617	92 765 608	40 366 488	59 533 682	37 758 798	41 903 188	44 439 476	**638 818 353**
Goods and services	342 680 358	27 609 033	12 841 848	15 694 078	28 207 133	12 296 719	17 608 957	8 562 246	12 187 043	12 435 934	**490 123 349**
Depreciation and amortisation	59 515 081	1 920 806	1 042 392	1 451 836	2 364 078	1 105 224	1 515 308	1 422 678	1 143 599	1 180 235	**72 661 237**
Debt impairment	263 370	–	–	–	–	–	–	–	–	–	**263 370**
Finance cost	942	1 707	592	8 498	2 547	–	243	–	32	68	**14 629**
Operating lease expense	38 194 720	11 556 330	3 052 243	4 535 977	8 145 084	5 213 997	6 935 177	4 979 674	4 237 233	6 894 310	**93 744 745**
Total segment expenses	**584 243 012**	**132 329 260**	**56 766 646**	**69 082 006**	**131 484 450**	**58 982 428**	**85 593 367**	**52 723 396**	**59 471 095**	**64 950 023**	**1 295 625 683**
(Deficit) on sale of assets	**72 874**	**42 413**	**(16 041)**	**1 604**	**(319 433)**	**25 187**	**43 681**	**(5 149)**	**(138)**	**(23 183)**	**(178 185)**
Surplus/(deficit) for the year	**16 678 878**	**(478 840)**	**874 352**	**1 887 690**	**54 081**	**2 122 670**	**(1 471 224)**	**735 310**	**280 422**	**763 957**	**21 447 296**
Current assets	**153 158 895**	**2 955 154**	**1 399 190**	**3 288 554**	**2 462 321**	**1 607 956**	**1 392 379**	**1 305 849**	**2 042 137**	**1 848 119**	**171 460 554**
Trade and other receivables	27 610 179	909 084	269 454	676 980	715 374	411 795	429 265	240 825	229 831	960 492	**32 453 279**
Cash and cash equivalents	124 225 830	1 026 964	599 903	694 906	449 559	769 547	576 849	500 972	1 094 445	27 170	**129 966 145**
Inventories	1 322 886	1 019 106	529 833	1 916 668	1 297 388	426 614	386 265	564 052	717 861	860 457	**9 041 130**
Non-current assets	**139 101 841**	**12 189 743**	**6 438 857**	**7 979 259**	**16 549 780**	**7 464 281**	**12 766 148**	**9 563 627**	**8 121 869**	**7 176 920**	**227 352 325**
PPE	56 137 060	12 076 331	6 425 695	7 954 876	16 539 057	7 457 049	12 758 575	9 563 627	8 106 199	7 174 736	**144 193 205**
Heritage	1 470 081	113 412	13 162	24 383	10 723	7 232	7 573	–	15 670	2 184	**1 664 420**
Intangibles	81 494 700	–	–	–	–	–	–	–	–	–	**81 494 700**
Total assets	**292 260 736**	**15 144 897**	**7 838 047**	**11 267 813**	**19 012 101**	**9 072 237**	**14 158 527**	**10 869 476**	**10 164 006**	**9 025 039**	**398 812 879**
LIABILITIES											

2017/ 2018	National Office	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Mpumalanga	Northern Cape	Limpopo	North West	Western Cape	Total
Current liabilities	136 220 983	1 575 261	404 660	567 228	920 374	477 825	683 758	654 145	725 369	618 677	**142 848 280**
Trade payables	130 611 350	1 575 261	404 660	567 228	920 374	477 825	683 758	654 145	725 369	618 677	**137 238 647**
Provision – long service	2 101 808	–	–	–	–	–	–	–	–	–	**2 101 808**
Current short-term portion of lease	3 507 825	–	–	–	–	–	–	–	–	–	**3 507 825**
Non-current liabilities	**23 712 289**	**1 633 495**	**1 168 988**	**198 401**	**2 975 717**	**1 890 461**	**2 298 556**	**1 800 558**	**1 715 707**	**1 550 377**	**38 944 549**
Operating lease liability	23 712 289	1 633 495	1 168 988	198 401	2 975 717	1 890 461	2 298 556	1 800 558	1 715 707	1 550 377	**38 944 549**
Total liabilities	**159 933 272**	**3 208 756**	**1 573 648**	**765 629**	**3 896 091**	**2 368 286**	**2 982 314**	**2 454 703**	**2 441 076**	**2 169 054**	**181 792 829**
Accumulated surplus	217 020 050	–	–	–	–	–	–	–	–	–	**217 020 050**
Total liabilities and net assets	**376 953 322**	**3 208 756**	**1 573 648**	**765 629**	**3 896 091**	**2 368 286**	**2 982 314**	**2 454 703**	**2 441 076**	**2 169 054**	**398 812 879**
Number of employees											
Permanent	129	170	55	72	144	62	93	57	76	68	**926**
Fixed-term	16	45	33	56	84	16	34	32	25	5	**346**
Number of offices	**2**	**40**	**20**	**38**	**52**	**18**	**26**	**27**	**19**	**30**	**272**

33. Change in estimate

Useful life review – property, plant and equipment

As per the accounting policy, the Electoral Commission 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 the estimate of the useful lives of the following asset classes and there was a resultant reduction in depreciation in the current period as a result of extension of the relevant useful lives of the assets listed below.

	Cost R	Accumulated depreciation R	Net book value R
Appliances			
Before useful life review	5 014 754	(4 146 988)	867 766
After useful life review	5 014 754	(4 071 353)	943 401
Difference due to change in estimate	**–**	**(75 635)**	**75 635**
Cell phones			
Before useful life review	535	(525)	10
After useful life review	535	(522)	13
Difference due to change in estimate	**–**	**(3)**	**3**
Computer equipment			
Before useful life review	163 656 499	(113 545 130)	50 111 369
After useful life review	163 656 499	(113 585 209)	50 071 290
Difference due to change in estimate	**–**	**40 079**	**(40 079)**
Furniture and fittings			
Before useful life review	78 547 943	(39 341 076)	39 206 867
After useful life review	78 547 943	(39 306 860)	39 241 083
Difference due to change in estimate	**–**	**(34 216)**	**34 216**
Leasehold improvements			
Before useful life review	4 395 014	(2 939 831)	1 455 183
After useful life review	4 395 014	(2 939 683)	1 455 331
Difference due to change in estimate	**–**	**(148)**	**148**
Motor vehicles			
Before useful life review	76 940 697	(35 127 379)	41 813 318
After useful life review	76 940 697	(34 262 242)	42 678 455
Difference due to change in estimate	**–**	**(865 137)**	**865 137**
Office equipment			
Before useful life review	52 337 225	(39 893 845)	12 443 380
After useful life review	52 337 225	(39 404 463)	12 932 762
Difference due to change in estimate	**–**	**(489 382)**	**489 382**

The change in estimate is due, in the main, to the adjusted increase in useful lives of the individual assets against the initial estimate upon recognition. Include impairment of the zip-zips.

	Cost R	Accumulated depreciation R	Net book value R
Pre-fabricated buildings			
Before useful life review	15 425 860	(2 405 499)	13 020 361
After useful life review	15 425 860	(2 404 929)	13 020 931
Difference due to change in estimate	**–**	**(570)**	**570**
Scanners			
Before useful life review	181 996 251	(181 964 310)	31 941
After useful life review	181 996 251	(175 947 020)	6 049 231
Difference due to change in estimate	**–**	**(6 017 290)**	**6 017 290**
Total 2019	**–**	**(7 442 302)**	**7 442 296**

Useful life review – intangibles

Software			
Before useful life review	208 460 861	(131 225 521)	77 235 340
After useful life review	208 460 861	(130 152 149)	78 308 712
Difference due to change in estimate	**–**	**(1 073 372)**	**1 073 372**

The useful lives of software were adjusted to reflect the extended use of the assets over their initial estimate. The adjusted change is due, in the main, to the increase in the useful life of the Electoral Commission's enterprise resource planning system (SAP).

Electoral Commission
Unaudited Detailed Income and Expenditure Statement for the year ended 31 March 2019

APPENDIX A

	March 2019	March 2018
INCOME	**2 009 628 021**	**1 317 251 164**
Parliamentary allocation	1 965 004 000	1 299 912 000
Lease revenue	2 600 219	2 077 670
Political party registration fees	39 700	21 100
Interest received	41 774 662	14 704 617
Sponsorship income	–	–
Other	209 440	535 777
EXPENDITURE	**1 553 626 630**	**1 295 625 683**
Personnel expenditure	797 747 334	638 818 352
Salaries	617 421 652	497 619 699
Permanent staff	492 294 672	456 296 630
Temporary staff	119 420 606	39 227 854
Voter education fieldworkers	39 307 336	1 036 334
Election support	23 586 323	14 484 557
By-elections	4 301 783	4 228 087
Registration	4 037 157	1 463 742
Expansion staff	48 188 007	18 015 134
MEO agents	5 706 373	2 095 213
Medical aid contributions	43 346 864	40 063 388
Housing benefits and allowances	14 761 119	14 191 203
Remunerative allowances – permanent staff	15 830 260	13 530 184
Leave pay provision	20 621 544	6 919 818
Lump sums – retirement	6 531 419	6 157 188
Employer's contributions and other allowances	57 678 721	54 233 615
Deployment costs	–	9 017
Long-service awards	20 884 215	5 855 496
Relocation cost	671 541	238 744

Electoral Commission
Unaudited Detailed Income and Expenditure Statement for the year ended 31 March 2019

	March 2019	March 2018
Administrative expenditure	**695 162 660**	**560 222 421**
Electoral staff subsistence	73 751 832	57 625 036
Travel expenditure	51 918 921	23 679 655
Air transport	8 991 792	4 505 980
Hotel expenditure	27 963 681	9 336 940
Vehicle rental	2 195 362	986 129
Fuel	9 091 953	6 503 283
Other	3 676 133	2 347 325
Subsistence and travel	17 310 662	12 580 986
Communications and connectivity	42 368 922	40 716 868
Storage and distribution costs	12 690 545	7 545 821
Study expenditure	861 190	2 406 045
Subscriptions and membership fees	1 552 801	1 414 940
Advertising	45 418 601	75 834 626
Catering/entertainment expenses	1 721 157	1 216 115
Democracy Development and Voter Education	16 493	60 866
Other – Corporate Services	710 244	490 358
Logistics and Electoral Matters	994 420	664 891
Insurance	1 891 611	2 351 661
Conferences and workshops	41 372 283	11 234 911
Democracy Development and Voter Education	7 176 233	2 171 410
Other – Corporate Services	31 333 381	7 680 356
Logistics and Electoral Matters	2 862 669	1 383 145
Consumables	2 355 562	2 105 604
Inventory	17 297 893	7 707 437
Printing and stationery	27 091 101	7 426 559
Software licences	31 003 251	27 613 873
Rented equipment	5 211 331	4 991 960
Rental – land and buildings	140 696 765	126 836 104
Building rentals	104 798 727	93 744 745
Rates and taxes	18 673 228	17 203 762
Voting station rentals	17 224 810	15 887 597
Professional and other services	178 401 406	145 706 854
Bank charges	2 239 151	1 137 687
Sundry expenditure	7 675	89 679
Depreciation and impairment	35 831 407	72 661 237
Audit costs	8 431 622	6 841 651
Finance cost	9 319	14 629
Debt impairment	(232 962)	263 370
Maintenance and repairs	16 677 250	16 804 023
Total expenditure	**1 553 626 630**	**1 295 625 683**
(Deficit) on disposal/scrapping of assets	166 093	178 185
(Deficit)/surplus for the year	**455 835 298**	**21 447 296**

APPENDIX B

Departmental expenditure statement

Relevant strategic objective	Total expenditure	Personnel expenditure	Administrative expenditure	Consumables	Equipment	Land and building rentals	Professional and other services
Internal Audit	5 832 986	4 633 329	197 919	14 128	66 264	–	10 921 346
Chief Electoral Officer	5 415 279	4 311 744	1 021 090	27 361	–	–	55 084
Commission Services	18 768 661	13 500 916	4 752 871	64 085	–	334 019	116 770
Total Chief Electoral Office	**40 016 926**	**22 445 990**	**5 971 880**	**105 574**	**66 264**	**334 019**	**11 093 200**
Deputy Chief Electoral Officer	2 946 981	2 907 111	15 886	23 984	–	–	–
Risk and Legal Compliance Officer	–	–	–	–	–	–	–
Legal Services	15 637 074	5 384 165	1 123 032	19 724	–	–	9 110 153
Budget and Party Funding, Compliance Verification	5 765 113	5 576 616	23 759	164 738	–	–	–
Financial Services	12 597 796	12 837 591	-223 545	141 076	89 927	-2 563 395	2 316 141
Financial Management	10 198 204	762 808	53 838	–	–	–	9 381 558
Procurement and Asset Management	13 201 738	12 159 529	272 492	136 050	–	–	633 667
Human Resources	187 070 005	87 914 977	93 776 098	138 284	592	–	5 240 054
HR, Skills Development and Training, Support Services	2 214 053	2 181 315	31 514	1 223	–	–	–
Skills Development and Training	61 942 238	6 594 686	42 105 425	13 052 404	520	–	189 204
Support Services	87 780 204	12 435 561	3 812 282	496 271	5 453 808	50 156 294	15 425 989
Business Enterprise Systems	65 311 089	8 858 030	10 478	147 740	–	–	56 294 841
Information Communication Technology	53 453 156	3 822 859	45 586	–	47 019 555	–	2 565 156
IT Operations Services	70 534 512	3 158 425	360 354	49 588	–	–	66 966 144
Total for Corporate Services	**588 652 164**	**164 593 675**	**141 407 199**	**14 371 081**	**52 564 402**	**47 592 899**	**168 122 907**
Total for National Office: Administration	**628 669 090**	**187 039 665**	**147 379 079**	**14 476 655**	**52 630 665**	**47 926 919**	**179 216 106**
Deputy Chief Electoral Operations	2 772 985	1 827 925	936 858	630	–	–	7 573
Delimitation, Voting, Counting, Results and By-elections	17 457 798	9 679 189	5 864 496	1 378 557	–	519 197	16 360
Electoral Matters	2 821 096	2 735 316	81 335	4 444	–	–	–
Candidate Nomination, Party Liaison, Voters Roll and Registration	30 232 402	13 720 964	4 822 760	6 289 191	10 120	–	5 389 367
Infrastructure, Courier Services	80 469 055	9 117 797	12 408 793	2 947 851	–	50 621 349	5 373 265
Logistics and Infrastructure	83 581	–	60 181	23 400	–	–	–
Logistics	76 158 867	8 831 750	12 645 558	12 776 111	14 332 564	20 740 507	6 832 376
Total for Electoral Operations	**209 995 782**	**45 912 940**	**36 819 981**	**23 420 184**	**14 342 684**	**71 881 052**	**17 618 941**

Electoral Commission
Unaudited Detailed Income and Expenditure Statement by department for the year ended 31 March 2019 (Appendix B)

Relevant strategic objective	Total expenditure	Personnel expenditure	Administrative expenditure	Consumables	Equipment	Land and building rentals	Professional and other services
Civic Education, Research and Knowledge Management	62 620 133	42 880 064	15 538 292	950 288	–	–	3 251 489
Research, Library, Knowledge Management	12 984 815	4 507 228	320 200	975 600	–	–	7 181 787
Communication	81 896 603	4 811 938	44 885 657	11 222 493	486 254	–	20 490 261
Deputy Chief Electoral Outreach	2 849 723	2 710 716	118 547	20 460	–	–	–
Total for Outreach	**160 351 274**	**54 909 947**	**60 862 696**	**13 168 840**	**486 254**	**–**	**30 923 537**
Total for National Office: Operations	**370 347 056**	**100 822 887**	**97 682 677**	**36 589 024**	**14 828 938**	**71 881 052**	**48 542 478**
Total for National Office	**999 016 146**	**287 862 552**	**245 061 757**	**51 065 679**	**67 459 603**	**119 807 971**	**227 758 584**
Eastern Cape	99 425 781	93 329 713	2 631 840	272 419	–	2 372 720	819 089
Free State	41 818 117	37 482 452	1 779 492	133 907	–	2 033 847	388 420
Gauteng	52 274 884	48 370 619	1 093 271	237 862	–	2 210 615	362 517
KwaZulu-Natal	102 072 011	95 978 435	3 275 312	222 142	–	1 310 282	1 285 840
Mpumalanga	48 887 436	42 647 238	1 132 634	223 034	75 024	4 368 334	441 172
Northern Cape	44 899 272	40 184 754	1 970 843	155 391	41 451	2 058 434	488 399
Limpopo	67 828 047	62 906 889	1 980 395	130 297	–	2 169 535	640 931
North West	46 215 763	42 844 102	1 071 722	159 660	29 762	1 530 269	580 248
Western Cape	51 355 266	46 140 582	1 862 759	146 809	–	2 834 759	370 358
Total for regional offices	**554 776 577**	**509 884 782**	**16 798 269**	**1 681 521**	**146 237**	**20 888 794**	**5 376 974**
Departmental expenditure	**1 553 792 723**	**797 747 334**	**261 860 025**	**52 747 200**	**67 605 840**	**140 696 765**	**233 135 558**

Total income	**2 009 628 021**
Surplus for the year	**455 835 299**
Prior-year adjustment	**94 479**
Unutilised surplus at 31 March 2018	**217 020 050**
Unutilised surplus at 31 March 2019	**672 949 828**

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