



Electoral Commission

Annual Report 2008



SOUTH AFRICA

**ELECTORAL COMMISSION
OF
SOUTH AFRICA**



SOUTH AFRICA

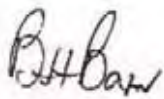
***ANNUAL REPORT TO THE NATIONAL ASSEMBLY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008***



The Honourable B Mbete

Speaker of the National Assembly

The Electoral Commission's report and audited financial statements for the financial year ended 31 March 2008 are hereby conveyed to you for formal submission to the National Assembly, as required by section 14(1) of the Electoral Commission Act, 1996 (Act No 51 of 1996).



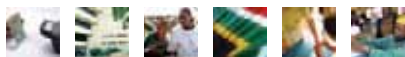
.....
Chairperson

Date: 31 July 2008



.....
Chief Electoral Officer

Date: 31 July 2008



ELECTORAL COMMISSION OF SOUTH AFRICA

Annual Report to the National Assembly in terms
of section 14 of the Electoral Commission Act, 1996



SOUTH AFRICA



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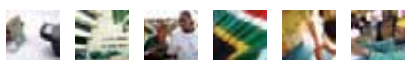
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SECTION 1



SOUTH AFRICA



INTRODUCTION BY THE CHAIRPERSON



The Electoral Commission of South Africa is pleased to present this report that covers the period from 1 April 2007 to 31 March 2008 outlining the Commission's efforts during this period in achieving its mandate as set out in the constitution and other relevant legislation.

During this period the Commission celebrated ten years since its establishment under the 1996 Constitution of the Republic by reflecting on its achievements and challenges through celebratory workshops and other events where our major partners such as political parties, community-based organisations, the academia, and others actively participated. We chose the theme: "Celebrating 10 Years of the Electoral Commission." These tenth anniversary activities provided us with an opportunity to collectively with our partners look back at how our electoral democracy has performed and to determine areas of improvement. We celebrated successes of the Commission and all institutions of society related to electoral democracy. The feedback we received was that the Electoral Commission was doing quite well. This feedback is in tandem with the

African Peer Review country assessment that also confirmed that our democracy in South Africa was entrenched.

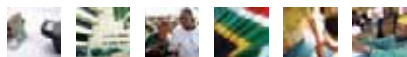
We were also made aware of areas that need improvement. Of note in this regard is the report of the Ad Hoc Committee on the Review of Chapter 9 and Associated Institutions. Specific recommendations were made and the Electoral Commission has endeavoured to address them singularly as an institution and collectively with other Chapter 9's where applicable.

One of the most important of these comprehensive engagements we had with our partners was the Multi-stakeholder Conference, the theme of which was: Reflections on the State of our Electoral Democracy in South Africa. The conference generated an interesting discourse in the country and the issues raised there are still subjects of debate. Dialogue and debate is fundamental in any vibrant democracy. Such debates and dialogue included the following:

- floor-crossing
- funding of political parties
- media and elections
- lack of impartiality

These engagements helped the Commission to prepare and plan effectively for the 2009 national and provincial elections. With such preparations already afoot, we have intensified our work to engage with our political parties and civil society organizations to ensure that they are adequately briefed on our plans for the 2009 elections.

During this period, we continued as the Electoral Commission of South Africa to play a big role in making our contribution to democracy on the continent and elsewhere in the world. Our international work during this period was four fold: First, we provided technical assistance in the elections of countries such as Nigeria, and the Comoros. Secondly, we observed elections in a number of countries such as Australia and Botswana,



among others. Thirdly, we received and hosted visitors from countries such as Malaysia, Nepal, Gambia, Maldives, Tanzania, etc. The purpose of these visits was to share good practices in elections management and to discuss further areas of cooperation between ourselves and our counterparts from these countries. Lastly, we continued to maintain relationships with regional, continental and international bodies such as the SADC Electoral Commissions Forum (SADC ECF), the African Union (AU) and the International Institute for Democracy and Electoral Assistance (International IDEA), the Commonwealth, the European Union and individual embassies.

As an institution set up to support constitutional democracy through the delivery of elections, we are committed to this mandate and strive at all times to ensure that elections are free, fair and credible. It is, therefore, for this reason that we shall ensure that the lessons learnt over the years from within our own operations and from our association with our international counterparts and stakeholders will be used effectively to improve our systems and ensure that we not only meet but exceed international standards, especially for our elections in 2009.

We thank all fellow democrats in organised formations in government, parliament and civil society for their co-operation, support and for upholding the principles of multi-partyism, democracy and the values of the constitution.

We thank all citizens of the nation in their diversity for playing their role in this mandate. During this period, the Commission held 65 peaceful by-elections. Without voters our work is meaningless.

Multipartyism is one of the values entrenched in our Constitution. The multiplicity of political parties shows that South Africans are not afraid to exercise their constitutional rights and freedoms. At the end of this reporting period, we had 146 registered political parties in this country. We thank all of these parties for their constant constructive engagement with us through the liaison structures and other means. The Commission takes these engagements very seriously.

A special note of appreciation goes to the staff of Electoral Commission that has at all times worked tirelessly in the service of the Commission and for understanding the importance of the sanctity of their mandate so that we can once again present a report that the Commission is proud of.

The commission enters the stage of preparing for the 2009 election, confident that, yet again, our staff and all our partners will live up to the standards we set for ourselves as a nation.

Dr Brigalia Bam
Chairperson



INTRODUCTION BY THE CHIEF ELECTORAL OFFICER



This report covers the period from 1 April 2007 to 31 March 2008. It presents information on the Commission's performance against its predetermined strategic objectives.

Entrenching the Commission as a focal point for the delivery of free and fair elections in the most efficient and cost effective manner

The Commission used the opportunity of its tenth anniversary to engage with various sectors in South African society to reflect on the state of electoral democracy in the country. The project to review the organisation of the Commission was finalised and a number of recommendations were made. Chief among these was the creation of a new division dedicated to outreach work. An intensive process followed to review the Commission's strategic objectives.

The Electoral Commission maintains regular contact with other Chapter 9 and associated institutions. As part of its liaison with other organisations, the Commission is often requested to provide technical assistance with various types of elections. The Commission has, through its national and provincial offices, provided

assistance with the elections of more than 50 South African institutions.

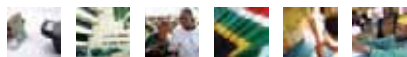
During the period under review, the Commission continued to interact with its stakeholders and to participate in the nurturing and sustenance of democratic values worldwide. The Commission participated in more than 20 international interventions, either by providing technical assistance and advice or by observing elections. Four elections were observed elsewhere on the African continent. The Commission hosted eight delegations from various countries around the world. Some of these delegations were referred to the Commission by the South African Department of Foreign Affairs or by the diplomatic missions of their countries, whilst others emanated from direct associations with the Commission.

Maintaining an optimal network of voting districts and voting stations for elections to ensure reasonable access by voters and to maintain an accurate and up-to-date national common voters roll

The number of voters on the voters' roll decreased by 335 911 over the reporting period. The number of voters that were registered through continuous registration initiatives amounted to 108 512. At the end of the reporting period the number of voters on the voters' roll stood at 20 291 743.

During the period under review the Commission undertook a review of the geographic functionality of all its voting districts and voting stations based on the experience of the 2006 elections and in accordance with human settlement and population changes that occurred since the 2006 municipal elections.

The average number of voters registered at voting stations declined from 1 232 per station in 2000 to 1 115 per station in 2006. This means that, on average, voters will spend less time at voting stations. It is estimated that approximately 19 500 voting districts and stations will be delimited for the 2009 national and provincial elections - up 6% from the 18 873 voting districts and stations used in the 2006 municipal elections.



Informing civil society with a view to maximising citizen participation in democracy and electoral processes, and to manage elections

The national and provincial offices of the Commission engaged in a number of civic education initiatives, aimed at strengthening electoral democracy. These varied and were based on local needs and conditions.

A national Multi-stakeholder Conference was held in Gauteng from 8 to 10 October 2007. The conference was intended to create a platform for political parties and civil society to reflect on the state of democracy in the country. Approximately 35% of delegates were representatives of political parties, 13% were representatives of Chapter 9 institutions, and 8% were representatives of NGOs.

To address, in particular, the under-representation of youth on the voters' roll and their low levels of participation in electoral democracy, the Commission has engaged in various initiatives. These included a colloquium of students' representative councils at tertiary institutions in collaboration with the national Department of Education and the continued implementation of the schools democracy education project.

For each of the 65 by-elections that were held during the period under review, voter education programmes were undertaken. The average percentage of spoilt ballots has been restricted to 1.07%. Voter turnout for by-elections in the period under review varied between 10.6% and 47.6%.

Enabling and promoting the effective participation of political parties and independent ward candidates in electoral processes

The Commission liaises with registered parties through regular meetings of the Party Liaison Committees (PLCs). The Committees operate at national, provincial and municipal levels. During the period under review 864 PLC meetings were held at the various levels.

There are currently 146 registered parties: 101 at national and 45 at municipal level.

The Commission is responsible for administering floor crossing at municipal level. The third floor-crossing window period for municipal councils since the introduction of the legislation, occurred during the period 1 to 15 September 2007. A total of 250 municipal councillors crossed the floor successfully in this period, affecting the composition of 122 municipalities.

Maintaining and consolidating organisational systems and infrastructure for efficient delivery of elections

There are 18 873 voting stations in the network spread across the country. Of these, 17 859 are permanent, 932 are temporary and 82 are mobile voting stations. 65.6% (12 386) of voting stations are located in schools. Of the 17 859 permanent voting stations, 20.7% (3 900) do not have operating electricity, 8.5% (1 606) do not have toilets and 12.2% (2 310) do not have water. The Electoral Commission continuously seeks opportunities to enhance or develop existing voting station facilities - especially at schools and community centres - by cooperating with landlords, government departments and other stakeholders.

Developing and maintaining effective business processes in respect of financial management, information and communication technology, corporate services, legal services and communications in order to ensure the effective functioning of the Commission

The Commission awarded 379 contracts of which 253 went to BEE companies (approximately R45.1 million). Approximately 95.5% of bids awarded through eProcurement auctions went to BEE companies. 152 contracts were awarded to microenterprises (40.11%); 8 contracts were awarded to very small enterprises (2.11%); 188 contracts were awarded to small enterprises (49.60%); 16 contracts were awarded to medium enterprises (4.22%); and 15 contracts were awarded to non-SMMEs (3.96%).



INTRODUCTION BY THE CHIEF ELECTORAL OFFICER

During the period under review, the IT department offered stable and consistent infrastructure to Head Office, the nine provincial offices and the 237 municipal offices throughout the country.

All documented information was effectively managed and filed in compliance with relevant legislation, namely the National Archives and Record Service of South Africa Act No. 43 of 1996, Promotion of Access to Information Act No. 2 of 2000 and Electronic Communications and Transactions Act No. 25 of 2002.

As part of ongoing communication activity, every by-election that had taken place was communicated within the affected wards. For each of the by-elections, appropriate communication channels, aimed at sharing information with the electorate, political parties and stakeholders, were used, depending on the popular media used in the respective wards. Common media used during the period under review included community newspapers, community radio, posters, pamphlets and leaflets. The Electoral Commission has made use of target audience profiling and information opportunities, particularly with regard to the youth and women. The Commission also capitalised on opportunities presented in a variety of community activities such as cultural shows and national and provincial commemorative events where information stalls provided pamphlets and promotional material. Three million general registration pamphlets and a further three million pamphlets on registration for use in schools were printed and distributed.

During the year under review in excess of 150 service level agreements were entered into with various service providers for the rendering of a host of services to the Electoral Commission, ensuring that the Electoral Commission has legally enforceable contracts.

Offering continuous structured training to officials to facilitate the effective functioning of the organisation, including a fluent and effective electoral process

For the 2006 municipal elections, the overall performance of presiding officers during the voting and counting processes as well as the time taken to count ballots and to process results, reflected a significant improvement on previous performances. This confirms the need to adopt a similar training strategy for the 2009 elections as was used for the 2006 elections. A National Training Workshop was held to develop a comprehensive draft training blueprint.

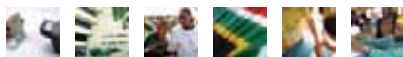
Positioning the human capital within the organisation for effective delivery of elections and making the Commission the employer of choice

During 2007 the Commission embarked upon a consultative organisational review process, resulting in the rationalisation of posts and the incorporation of Electoral Project Coordinators (EPCs) as part of the permanent staff component in August 2007. Special provision was also made for a new division dealing specifically with outreach and democracy development related projects, as well as the duplication of these functions on provincial level. The total staff provision (organogram) of the Commission is 805, including service delivery staff and human resources at national, provincial and local level. 75.8% of established posts were filled by the end of the reporting period.

A new Employment Equity Plan was drafted and adopted by the Employment Equity Committee in March 2008. No workplace injuries were reported. Three employees died during the past year.

A collective agreement was entered into with the National Education and Allied Workers Union (NEHAWU). Disciplinary actions were taken against 16 employees for financial misconduct, misconduct and fraud. Six matters were referred to the CCMA by former employees alleging unfair dismissal. All were successfully defended.

Advocate Pansy Tlakula
Chief Electoral Officer



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SECTION 2



SOUTH AFRICA



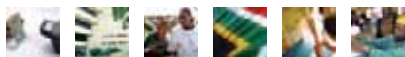
VISION AND MISSION STATEMENT

Vision

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

Mission

The Electoral Commission is a permanent body created by the Constitution to promote and safeguard democracy in South Africa. Although publicly funded and accountable to Parliament, the Commission is independent of the government. Its immediate task is the impartial management of free and fair elections at all levels of government.



LEGISLATIVE MANDATE & STRATEGIC OBJECTIVES

LEGISLATIVE MANDATE

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

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

The duties and functions of the Electoral Commission are defined in section 5 of the Electoral Commission Act, 1996. These include to

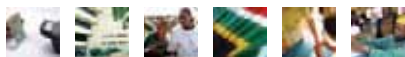
- compile and maintain a voters' roll by means of a system of registering eligible voters by utilising data available from government sources and information furnished by voters;
- compile and maintain a register of parties;
- undertake and promote research into electoral matters;
- develop and promote the development of electoral expertise and technology in all spheres of government;
- continuously review electoral legislation and proposed electoral legislation, and to make recommendations in connection therewith;
- promote voter education;
- declare the results of elections for national, provincial and municipal legislative bodies within seven days after such elections; and
- appoint appropriate public administrations in any sphere of government to conduct elections when necessary.

STRATEGIC OBJECTIVES

- Entrenching the Commission as a focal point for the delivery of free and fair elections in the most efficient and cost effective manner
- Maintaining an optimal network of voting districts and voting stations for elections to ensure reasonable access by voters and to maintain an accurate and up-to-date national common voters roll
- Informing civil society with a view to maximising citizen participation in democracy and electoral processes, and to manage elections
- Enabling and promoting the effective participation of political parties and independent ward candidates in electoral processes
- Maintaining and consolidating organisational systems and infrastructure for efficient delivery of elections
- Developing and maintaining effective business processes in respect of financial management, information and communication technology, corporate services, legal services, and communication in order to ensure the effective functioning of the Commission
- Offering continuous structured training to officials to facilitate the effective functioning of the organisation, including a fluent and effective electoral process
- Positioning the human capital within the organisation for effective delivery of elections and making the Commission the employer of choice



IEC STRUCTURAL ORGANOGRAM 2008



Provincial Electoral Officers



Free State
(Mr Chris Mepha)



North West
(Dr Tumie Thiba)



KwaZulu-Natal
(Mr Mawethu Mosery)



Limpopo
(Ms Nkaro Mateta)



Western Cape
(Mr Courtney Sampson)



Northern Cape
(Mr Justice Bekebeke)



Gauteng
(Mr Sy Mamabolo)



Eastern Cape
(Rev Bongani Finca)



Mpumalanga
(Mr Steve Ngwenya)



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SECTION 3

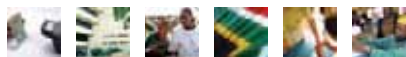


SOUTH AFRICA



ACHIEVEMENT OF STRATEGIC OBJECTIVES

Strategic objective	Performance indicator	Delivery indicator	Actual performance against target		
			Target	Actual	Comment on variance
1. Entrenching the Commission as a focal point for the delivery of free and fair elections in the most efficient and cost effective manner	Number of liaisons with other Chapter 9 institutions	This refers to the number of interactions with other Chapter 9 institutions; Ongoing liaison with these institutions with a view to creating partnerships for joint ventures with regard to entrenchment of democracy and the sharing of initiatives. One of the common objectives of Chapter 9 institutions is to enhance constitutional democracy in South Africa.	1	1	
	Number of liaisons with Elections Management Bodies (EMBs)	This refers to the number of interactions with EMBs on the African continent. Due to South Africa's involvement in strategic interventions in the rest of Africa, the Commission is increasingly called upon to assist its counterparts in the technical aspect of election management. While such assistance benefits the recipient country, it also presents the Commission with learning opportunities.	13	16	A number of EMBs also sent delegations to visit the offices of the Commission.
	Number of elections observed	This refers to the number of elections observed on the African continent. Many important elections were held in various parts of Africa over the period. The Commission was invited to either observe these elections or provide different kinds of technical assistance as part of its skills exchange program.	4	4	
	Number of revisions of the Electoral Act and Regulations	This refers to the review of electoral processes and recommendation for amendments; Ongoing review together with election debriefing workshops to assess the provisions of the legislation with	n/a	n/a	



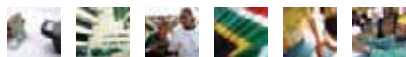
ACHIEVEMENT OF STRATEGIC OBJECTIVES

Strategic objective	Performance indicator	Delivery indicator	Actual performance against target		
			Target	Actual	Comment on variance
		regard to registration of voters, voting and counting procedures and announcement of results. Proposed amendments to the Act submitted to the Minister of Home Affairs and proposed amendments to the regulations considered by the Commission.			
2. Maintaining an optimal network of voting districts and voting stations for elections to ensure reasonable access by voters and to maintain an accurate and up-to-date national common voters roll	Number of registered voters	This refers to ongoing registration of eligible voters. Various methods and facilities provided for eligible South Africans to register as voters. Provision was made for registration weekends in addition to other methods of registration. The number of total registered voters is dependent on factors such as a decline in fertility rates and rising mortality rates. The population growth rate halved over the past 10 years and a slower increase in the number of registered voters is anticipated. The projected figures are nevertheless targets as contemplated by the Commission.	20 357 338	20 291 743	No general registration weekends were held during this period. There was a decrease in the number of registered voters, mainly due to deaths.
3. Informing civil society with a view to maximising citizen participation in democracy and electoral processes, and to manage elections	Number of votes cast	This refers to the number of voters who voted in elections. Participation in elections are reflective of trends within modern democracies. Participation in elections was influenced by external factors such as voter apathy and alienation, especially with regard to the youth. In this regard it should be noted that persons that were 17 years old in 1994 and could not vote in those elections are now 30 years old. It follows that they, in many cases, did not experience the	n/a	n/a	



ACHIEVEMENT OF STRATEGIC OBJECTIVES (Continues from page 15)

Strategic objective	Performance indicator	Delivery indicator	Actual performance against target		
			Target	Actual	Comment on variance
		socio-economic and political conditions of the pre-democracy era to the same extent or in the same context as persons that were already adults at the time. A drop of 11% between 1999 and 2004 was experienced and a further drop of 11% - 13% in voter turnout is foreseen. It should however be noted that political influence is more crucial to increase voter turnout than the commission's interventions.			
	Number of voter education interventions	This refers to programmes and projects aimed at informing voters on issues of electoral democracy. Electoral democracy interventions in the formal education sector are facilitated through the infusion of electoral democracy in school curricula and information sessions at schools and tertiary institutions. Other interventions include mass education interventions by piggy backing on existing community activities and forming partnerships with civil society organisations.	n/a	n/a	
	Research with regard to electoral systems	This refers to conducting research and surveys on electoral systems in support of improved management of electoral processes, in order to provide thought leadership on the management of electoral processes in our country and beyond. Desktop research on different electoral systems and their applications in different democracies around the world. Surveys conducted within South Africa on public perceptions of	2	0	Research will be conducted closer to the 2009 elections.



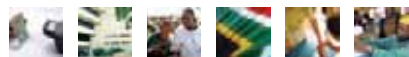
ACHIEVEMENT OF STRATEGIC OBJECTIVES

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		the suitability of the current electoral processes and systems. Communicating the outcomes of research and surveys to stakeholders.			
4. Enabling and promoting the effective participation of political parties and independent ward candidates in electoral processes	number of party liaison interventions	This refers to ongoing liaison with registered political parties and independent candidates. Liaison with political parties and independent candidates as well as through workshops and conferences with a view to sharing of information and strengthening relations. For the 2009 elections six interventions are planned on national level, 54 on provincial level and 1422 on local level. For 2010 six on national level, 18 on provincial level and 474 on local level for 2011 six on national level, 54 on provincial level and 1422 on local level for the 2011 elections.	494	449	No general elections were held during this period.
5. Maintaining and consolidating organisational systems and infrastructure for efficient delivery of elections	number of voting stations	This refers to the facility within a voting district where registration and voting drives take place. Expenditure on elections is mainly driven by the steady increase in the required number of voting stations resulting from the general growth in the voting population as new suburbs and informal settlements emerge across the country.	18 873	18 873	
	reduction in number of mobile voting stations	This refers to identification of permanent voting stations to replace mobile voting stations. Liaison with stakeholders, including political parties, with a view to reducing mobile voting stations with permanent, identifiable voting stations.	n a	n a	



ACHIEVEMENT OF STRATEGIC OBJECTIVE c

D			A		
			T	A	C
	umber of temporary voting stations	This refers to the reduction in the number of temporary voting stations. The Commission aims to increase the number of schools used as permanent voting stations in a bid to assist schools in obtaining basic facilities such as water, electricity and sanitation. The goal is to reduce the number of temporary voting stations by 10% in the 2009 elections and by a further 10% in the local government Elections.	n a	n a	
	umber of schools as voting stations	This refers to schools used as permanent voting stations. The Commission aims to increase the number of schools used as permanent voting stations in a bid to assist schools in obtaining basic facilities such as water, electricity and sanitation. The goal in this regard is 20 schools per province 180 for the 2009 elections and a further 20 per province 180 for the local government Elections. The projected number of new schools to be used as voting stations includes the reduction in number of temporary voting stations referred to in indicator 12 above, as well as a number of schools that will be used as voting stations instead of some of the churches, shops etc. previously used.	n a	n a	
	umber of meetings with provincial infrastructure task teams	This refers to task team meetings with various government departments such as Education, Water Affairs, Mineral and Energy as well as municipalities regarding the upgrade or installation of facilities water, electricity and	2	0	o general elections were held during this period.



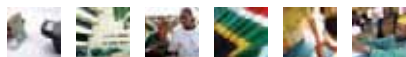
ACHIEVEMENT OF STRATEGIC OBJECTIVES

Strategic objective	Performance indicator	Delivery indicator	Actual performance against target		
			Target	Actual	Comment on variance
		sanitation) at permanent voting stations. 6 of these task team meetings normally take place during election years and 2 during non-elections years.			
6. Developing and maintaining effective business processes in respect of financial management, information and communication technology, corporate services, legal services, and communication in order to ensure the effective functioning of the Commission	Number of public information drives	This refers to the number of radio broadcasts, outdoor billboards, newspaper articles and TV interventions of the Commission as well as internal and external newsletters. The provision of information to the populace, potential voters and stakeholders in a voting process. This happens through PSA, advertisement of venues, dissemination of registration and voting messages and outreach programmes (e.g. road shows). During major electoral events the Commission embarks on mass information drives through newspapers, radio, billboards and TV. Interventions: Radio - 44%, TV - 6%, Newspapers - 8% and billboards and other - 42%. In addition, major celebratory events take place on certain public holidays during election and non-election years.	5	6	
	Refresh IT hardware and upgrade operating system.	This refers to the project to refresh IT hardware including the replacement of servers and 2 035 workstations as well as the upgrading of the operating software. The Commission uses IT and geographic information systems (GIS) to improve and support the delivery of elections in South Africa in all spheres of government. Public confidence in the accuracy and reliability of systems needs to be assured.	n/a	n/a	



ACHIEVEMENT OF STRATEGIC OBJECTIVES (Continues from page 19)

Strategic objective	Performance indicator	Delivery indicator	Actual performance against target		
			Target	Actual	Comment on variance
		The replacement of IT hardware in the next financial year is therefore necessitated.			
	Implementation of an integrated HR and Financial system (SAP)	This refers to the full implementation of an integrated HR and Financial system (SAP). The Commission uses IT and geographic information systems (GIS) to improve and support the delivery of elections in South Africa in all spheres of government. Public confidence in the accuracy and reliability of systems needs to be assured. The replacement of IT hardware in the next financial year is therefore necessitated.	n/a	n/a	
7. Offering continuous structured training to officials to facilitate the effective functioning of the organisation, including a fluent and effective electoral process	Number of election officials trained	"Election officials" refers to temporary staff employed at voting stations for purposes of that specific election. Operational training, especially for temporary staff, has been found to be most effective if it concentrates on specific technical processes, including simulations, backed by good quality materials such as manuals and checklists, instructions, appropriate audio-visual aids and rigorous training and evaluation methods.	550	386	No general elections were held during this period. Training requirements for 65 by-elections were met.
	Number of training and development interventions	The complexity and specialist skills required for elections require that staff be trained intensively to attain the necessary skills and knowledge. Investment in staff training and development is critical for improving overall effectiveness. This will occur through internal training courses, professional	196	98	Actual skills development and training interventions responded to identified needs and availability of staff.



ACHIEVEMENT OF STRATEGIC OBJECTIVES

Strategic objective	Performance indicator	Delivery indicator	Actual performance against target		
			Target	Actual	Comment on variance
		associations, academic qualifications, mentoring, skills transfer and internal electoral management courses. The conversion of agent staff to permanent Commission staff since 1 August 2007 will require more training on aspects of the management of electoral processes. It is projected that 80% will be trained in year 1, 90% in year 2 and 100% by year 3. These figures were included in the projected figures.			
8. Positioning the human capital within the organisation for effective delivery of elections and making the Commission the employer of choice	Filling of 70% of vacancies	Filling of vacancies on the new organisational structure within 6 months of occurrence. Currently 252 vacancies exist on the revised organisational structures. The large amount of vacancies is mainly due to the fact that no posts were filled during the organisational review process embarked on during the previous financial year. It is projected that 60% of these vacancies will be filled by June 2008 and 80% by the end of the financial year.	76	75.9	

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.1 *Entrenching the Commission as a focal point for the delivery of free and fair elections in the most efficient and cost effective manner*

The Electoral Commission of South Africa celebrated the tenth year of its establishment during the year under review. The Commission was established in July 1997 in terms of Chapter 9 of the Constitution and in terms of the Electoral Commission Act. The Commission used the opportunity of its tenth anniversary to engage with various sectors in South African society in reflections on the state of electoral democracy in the country. The highlight of this was a Multi-stakeholder Conference, which was held from 8 to 10 October 2007 in Johannesburg.

During this period, the Commission also paid special attention to the continued development and enhancement of its operational policies and procedures. The project to review the organisation of the Commission was finalised and a number of recommendations were made. Chief among these was the creation of a new division dedicated to outreach work. Changes such as these, in addition to issues that were raised during previous reporting periods, necessitated a further review of internal policies and procedures.

As a result, an intensive process followed to revise the Commission's strategic objectives. The results of that process will form the basis of the next Annual Report. It suffices to say that after the strategic planning workshop, held in February 2008, the Commission adopted a revised Strategic Plan for tabling in Parliament.

Internal Audit Function

During the year under review the internal audit function carried out the following activities with the assistance of outsourced internal audit service providers:

- Reviewed statutory reports to the Commission and the National Treasury
- Conducted an audit of the e-procurement system and reviewed and reported on standard controls

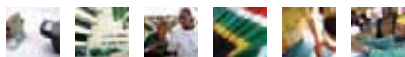
and authorisation processes for the procurement of goods and services

- Reviewed and submitted comments on recommendations presented to the Procurement and Disposal Committees
- Conducted internal and follow-up audits in provincial electoral offices and municipal offices and addressed issues raised during internal and external audits
- Conducted follow-up audits on the information systems' general controls
- Conducted a review of the performance reporting process
- Conducted a performance audit on the logistics department
- Reviewed leave records and personnel records, payroll data at national and all the provincial electoral offices
- Continuously monitored the asset register verification process
- Rendered secretarial support to the Audit Committee, implemented recommendations and reported back on all issues
- Reported fortnightly on issues as requested by the Finance, Audit and IT Committee of the Commission

The internal audit unit duly deviated from the internal audit plan during the period under review and embarked on a review of the implementation of the new SAP enterprise resource planning system in order to assess the adequacy of internal controls for the new environment.

Local Liaison

The Electoral Commission maintains regular contact with other Chapter 9 and associated institutions. This contact is maintained at the levels of Commissioners and that of the administration. Through meetings, jointly hosted events and participation in events organised by other institutions, the Commission learns from other practices, shares its expertise and also uses



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

such platforms to promote greater awareness of electoral democracy.

As part of its liaison with other organisations, the Commission is often requested to provide technical assistance with various types of elections. The

Commission has now adopted an amended policy on assisting with elections for other institutions. In terms of the policy, the Commission has, through its national and provincial offices, provided assistance with a number of elections. Some of the organisations involved are listed in *Table 1*.

Table 1: Elections for other institutions

Eastern Cape	South African Women Lawyers' Association (SAWLA) provincial Executive Committee; Border Cricket Board; Nelson Mandela Metropolitan University SRC; Walter Sisulu University SRC; Lovedale PFET College; East Cape Midlands PFET College
Free State	Central University of Technology; Bethany Community; South African Union of Students
Gauteng	South African Local Government Association (SALGA) provincial office-bearers; South African Local Government Association (SALGA) national office-bearers; City of Johannesburg's Student Council; Food and Allied Workers Union (FAWU); Tshepiso Luncheon Club Executive Committee; South African Democratic Teachers Association (SADTU); Unified Association of Social Workers; University of the Witwatersrand SRC; Government Information and Technology Council (GITOC); South African Police Services: Eersterust Community Policing Forum; Soweto Chamber of Commerce; Gauteng Taxi Council (GATACO); Catholic Churches (St Vincent, Moya and St. Matthews)
KwaZulu-Natal	SA Clothing and Textile Workers' Union (SACTWU); University of Zululand SRC; eThekweni Municipality Transport Authority; Regional Land Claims Commission Trust Members; University of KwaZulu-Natal SRC; Durban University of Technology SRC; Department of Transport's Provincial Public Transport Passenger Regional Associations; Msunduzi (Pietermaritzburg) Municipality ward committee
Limpopo	Eastern Leolo Taxi Association; University of Venda SRC; Groblersdal Taxi Association; Moutse Community Radio Station; Capricorn College for Further Education and Training; Treatment Action Campaign (TAC)
Mpumalanga	SA Democratic Teachers' Union; Agricultural College SRC; SALGA provincial Executive Committee; Treatment Action Campaign (TAC); Mpumalanga Taxi Council; Mpumalanga Civil Society Forum
Northern Cape	Northern Cape FET College SRC; Nursing College SRC; National Institute of Higher Education (NIHE) SRC, Provincial House of Traditional Leaders
North West	SA Congress for Childhood Development; Western Taxi Cooperatives; Regional Taxi Association; Roman Catholic Youth Guild; SADTU North West Executive Committee; Schweizer-Reneke United Taxi Association Executive Committee; SAVCO Volunteer Council; Midvaal Water Company; Potchefstroom Community Policing Forum (CPF); Dithakwaneng Communal Property Association (CPA); North West University (Potchefstroom Campus) SRC; North West University (Mafikeng Campus) SRC; SA Municipal Sports and Recreation Association; Radio Mafisa Board of Directors Elections; Land Claims Commission; Security Managers Forum Management Committee; Bakgatla Community Ba Moiletswane Tribal council; Bolokanang elections for their Executive Committee; Boskuil CPA committee; Tlhabane Taxi Owners Association
Western Cape	Nelson Mandela Metropolitan University SRC; Cape Peninsula University of Technology SRC



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

International Liaison

The Commission's project to provide technical assistance to the Democratic Republic of Congo (DRC) was concluded in the previous financial year. On 21 June 2007, the Presidency hosted a dinner to thank those South African companies that donated their services during the elections in the DRC. The Commission assisted with the planning and was represented at the function.

A project to document the Commission's involvement with the elections in the DRC was initiated. A comprehensive report is being compiled and will be made available to relevant parties.

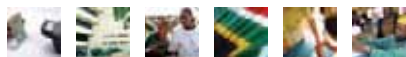
During the period under review, the Commission continued to interact with its stakeholders and to participate in the nurturing and sustenance of democratic values worldwide. South Africa is a member of the International Institute for Democracy and Electoral Assistance (International IDEA). The Chairperson of the Commission, Dr Bam is a member of the Board of International IDEA. The Chief Electoral Officer, Advocate Tlakula, is a member of the African Commission on

Human and Peoples' Rights. The Commission is a founder member of the Southern African Development Community (SADC) Electoral Commissions' Forum (ECF).

During June 2007, a number of officials of the Commission were deployed to provide further technical assistance with elections in the Union of the Comoros. The officials provided mainly logistical support and technical advice for both rounds of elections on 10 and 24 June. The elections proceeded well, except that, due to political tension, elections could not be held on one of the three islands which constitute the Union of the Comoros.

The Department of Foreign Affairs requested the Commission to put together an observer mission for the elections in East Timor which took place on 30 June 2007. An official from the Commission also participated as a member of the observer mission.

Tables 2 and 3 list the visits undertaken by Commissioners and staff of the Electoral Commission.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES



Tenth Anniversary launch on 3rd August 2007

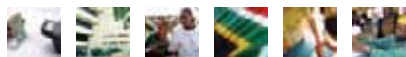
<i>Table 2: International visits by commissioners of the Electoral Commission</i>			
Name	Country	Date	Purpose
B Bam	Nigeria	11 - 22 April 2007	Elections Observation
T Mpumwana	Nigeria	11 - 22 April 2007	Elections Observation
	Zanzibar	26 - 28 June 2007	SADC ECF Meeting
	Angola	19 - 21 August 2007	SADC ECF Workshop
T Tselane	Angola	19 - 21 August 2007	SADC ECF Workshop
	Zambia	27 - 30 November 2007	Workshop on improving electoral quality in the Southern African Region
Judge Msimang	Zimbabwe	26 - 31 March 2008	Elections in Zimbabwe



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 3: International visits by staff of the Electoral Commission (Continued from page 25)

Name	Country	Date	Purpose
P Tlakula	Nigeria	11 - 26 April 2007	Technical assistance to the Electoral Commission of Nigeria
	Ghana	15 - 30 May 2007	41st session of the African Commission on Human and People's Rights
	Angola	9 - 21 August 2007	SADC ECF Workshop
	Kenya	1 - 4 November 2007	WBI Workshop on Access to Information, Media and Accountability
	Congo (Brazzaville)	12 - 30 November 2007	42nd Session of the African Commission on Human and People's Rights
	Zimbabwe	23 - 30 January 2008	Workshop on Declaration of Principles on the Right to Freedom of Expression in Africa
M Moepya	Belgium	22 - 26 October 2007	European Commission and UNDP workshop on voter registration
	DRC	9 - 12 September 2007	Documenting IEC Experience
	DRC	11 - 14 September 2007	Documenting IEC Experience
M Khubutlo	Nigeria	11 - 26 April 2007	Technical Assistance to the Electoral Commission of Nigeria
D Khumalo		11 - 26 April 2007	Technical Assistance to the Electoral Commission of Nigeria
E Rampete		11 - 26 April 2007	Technical Assistance to the Electoral Commission of Nigeria
S Langtry	Comoros	16 - 21 April 2007	Technical Assistance to the Comoros



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

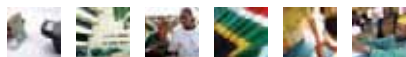
<i>Table 3: International visits by staff of the Electoral Commission (Continued from page 26)</i>			
Name	Country	Date	Purpose
S Langtry	Comoros	19 - 26 June 2007	Technical Assistance to the Elections in Comoros
S Ngwenya	Comoros	16 - 21 April 2007	Technical Assistance to the Comoros
		31 May - 12 June 2007	Technical Assistance to the Comoros
		19 - 26 June 2007	Technical Assistance to the Comoros
	Zimbabwe	21 - 31 March 2007	Technical Assistance to the SADC observer mission to the elections in Zimbabwe
J Pretorius	Seychelles	9 - 16 May 2007	Technical Assistance to the Electoral Commission of Seychelles
K Simelane	Seychelles	9 - 16 May 2007	Technical Assistance to the Electoral Commission of Seychelles
J Bekebeke	Madagascar	20 - 25 May 2007	SADC ECF Workshop
	Comoros	31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
	Zimbabwe	05 - 22 March 2008	Technical Assistance to the SADC observer mission to elections
Y Baleta	Comoros	31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
S Ndala		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
T Lepesa		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
T Muade		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 3: International visits by staff of the Electoral Commission (Continued from page 27)

Name	Country	Date	Purpose
T Muade	Comoros	19 - 26 June 2007	Technical Assistance to the Elections in Comoros
W Nel		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
K Ogle		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
A Rauch		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
E Topkin		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
A van Wyk		31 May - 12 June 2007	Technical Assistance to the Elections in Comoros
A Rauch		3 - 12 June 2007	Technical Assistance to the Elections in Comoros
S Ngidi		3 - 12 June 2007	Technical Assistance to the Elections in Comoros
		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
M Dlamini		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
L Rogers		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
B Zwane		19 - 26 June 2007	Technical Assistance to the Elections in Comoros
B Heuvel		19 - 26 June 2007	Technical Assistance to the Elections in Comoros



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

<i>Table 3: International visits by staff of the Electoral Commission (Continued from page 28)</i>			
Name	Country	Date	Purpose
R Munisamy	Comoros	19 - 26 June 2007	Technical Assistance to the Elections in Comoros
C Snyman	East Timor	30 June - 5 July 2007	South African observer mission to elections
L Maphanga	DRC	3 - 9 September 2007	Roll-back of IEC Electoral equipment
G Chaplog-Louw	DRC	3 - 9 September 2007	Roll-back of IEC Electoral equipment
	Malawi	12 - 15 March 2008	Conference on Party Functioning and Management in Southern and Eastern Africa
M Hendrickse	Namibia	27 - 30 October 2007	AU meeting on African Charter on Democracy, Elections & Governance
	Congo (Brazzaville)	12 - 14 November 2007	AU meeting to review elections observation in Africa
	Nigeria	17 - 23 February 2008	Retreat of the Nigerian Electoral Commission to review electoral legislation
N Rampershad	Australia	20 - 26 November 2007	Australian visitor programme to the elections in Australia
B Ranyane		20 - 26 November 2007	Australian visitor programme to the elections in Australia
C Mepha	Gambia	22 - 27 January 2008	Election Observation
N Mateta		22 - 27 January 2008	Election Observation
M Kelembe	Botswana	29 - 30 January 2007	SADC ECF meeting on 10th anniversary celebrations
B Finca	Canada	12 - 17 March 2008	CDAS/McGill Conference on electoral commissions in developing world



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 3: International visits by staff of the Electoral Commission (Continued from page 29)

Name	Country	Date	Purpose
S Fikeni	Canada	12 - 17 March 2008	CDAS/McGill Conference on electoral commissions in developing world
R Matsemela	Malawi	12 - 15 March 2008	Conference on Political Functioning and Management in Southern and Eastern Africa
N Nyongo	Zimbabwe	10 - 31 March 2008	Technical Assistance to the SADC Observer Mission to the elections
S White		19 - 31 March 2008	SADC ECF Observer Mission to the elections
R Naidu		19 - 31 March 2008	SADC ECF Observer Mission to the elections

The Commission hosted delegations from various countries around the world. Some of these delegations were referred to the Commission by the South African Department of Foreign Affairs whilst others' visits

flowed from direct association with the Commission. During this reporting period, the Commission hosted the delegations listed in **Table 4**.

Table 4: International delegations hosted by the Commission

DELEGATION	DATES
Malaysian Electoral Commission	2 to 4 April 2007
Electoral Commission of Malawi	29 June 2007
Electoral Commission of Gambia	16 July 2007
Nepalese Electoral Commission	24 August 2007
Electoral Commission of Maldives	12 and 13 September 2007
Tanzanian Electoral Commission	20 September 2007
Sudanese Electoral Authority	23 October 2007
Electoral Commission of Ghana	15 November 2007



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.2 Maintaining an optimal network of voting districts and voting stations for elections to ensure reasonable access by voters and to maintain an accurate and up-to-date national common voters roll

Registration of voters

The Electoral Act of 1998 requires the Commission to compile and maintain a national common voters' roll. Voters have to register to vote in the voting district in which they ordinarily reside (i.e. the place to which a voter returns after a period of temporary absence). Each voting district is serviced by one voting station. On voting day, the voters will find their names on that unique voting district portion of the national common voters' roll.

The Electoral Commission continued to implement several projects aimed at improving the quality of the voters' roll. The main objective was to ensure that the names of registered voters appear on the correct segment of the voters' roll for the relevant

voting district on the day of elections. These initiatives comprised:

- Continuous voter registration at MEO offices
- Address capture from voter registration details on REC1 application forms
- Voters' roll verification against the National Population Register
- By-election voters' roll management to ensure that voters appear on the correct segment
- Targeted communication and registration e.g. to institutions of learning and voting districts with low registration figures.

Registration figures

The registration figures for the reporting period decreased by 335 911 registrations, as illustrated in **Table 5**. This was due to various reasons including deaths and removal of non-citizens.

Table 5: Changes in the voters' roll

Province	Registration statistics	
	1 April 2007	31 March 2008
Eastern Cape	2 846 971	2 799 775
Free State	1 280 706	1 253 347
Gauteng	4 694 272	4 617 579
KwaZulu-Natal	3 867 324	3 794 662
Limpopo	2 114 835	2 085 883
Mpumalanga	1 511 230	1 484 671
North West	1 521 581	1 497 242
Northern Cape	518 593	510 323
Western Cape	2 272 142	2 248 261
Grand Total	20 627 654	20 291 743



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Continuous voter registration

Voters were encouraged to register or update their registration details on the voters' roll at the Electoral Commission's 237 Municipal Electoral Officer (MEO) offices nationally. In addition, the Chief Electoral Officer delegated the authority to Provincial Electoral

Officers to identify places other than MEO offices for the registration of voters.

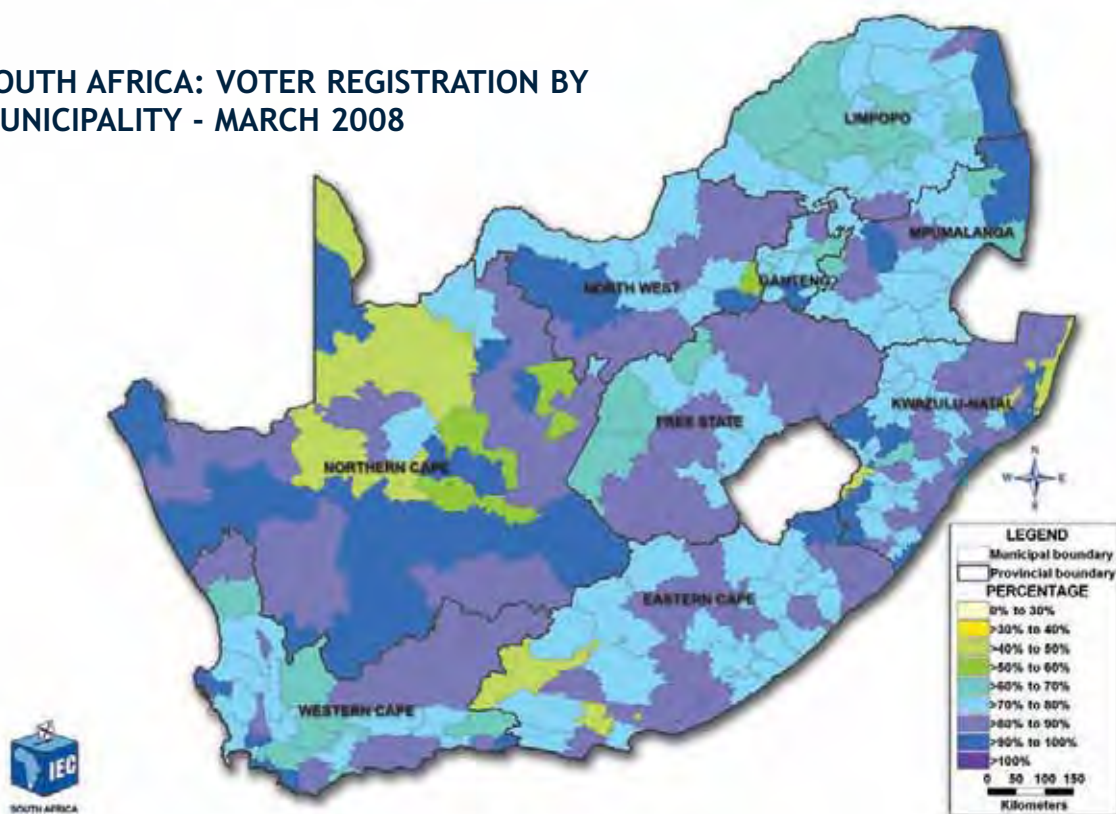
The results of continuous registration initiatives are indicated in *Table 6* below.

Table 6: Continuous registration by province

Province	New Registrations	Re-Registrations in same VD	Re-Registrations in diff VD	Grand Total
Eastern Cape	20 171	2 909	2 337	25 417
Free State	7 726	569	1 307	9 602
Gauteng	861	182	1 158	2 201
KwaZulu-Natal	16 428	2 989	9 821	29 238
Mpumalanga	7 474	1 428	2 306	11 208
Northern Cape	1 570	959	1 558	4 087
Limpopo	2 790	583	377	3 750
North West	7 387	1 448	4 538	13 373
Western Cape	4 861	1 233	3 542	9 636
TOTAL	69 268	12 300	26 944	108 512

VD = Voting District

SOUTH AFRICA: VOTER REGISTRATION BY MUNICIPALITY - MARCH 2008



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

In giving effect to its strategic objectives, the Commission undertook the following:

- Improved voter access to registration and voting stations in preparation for the 2009 elections
- Reviewed the voting district and voting station network in accordance with changes in human settlement and population patterns since the 2006 municipal elections.
- Helped to ensure that voters would find their names on the correct segments of the voters' roll on voting day, thereby improving the quality and accuracy of the voters' roll.

No general election took place in the period under review. However, it is useful to provide a historical context of voter access to voting stations and voting district delimitation.

A total of 14 650 voting districts were delimited for the 1999 general elections when the national common voters' roll was first compiled for South Africa. One of the aims of the Commission is to improve voter access to voting stations. The number of voting districts (and hence voting stations) increased considerably for the 2006 municipal elections as 18 873 voting districts were delimited. The delimitation represented a 29% increase in the number of voting districts (and hence voting and registration stations) available to voters in 2006 compared to the voting districts for the national and provincial elections in 1999, and a 26% increase compared to the available voting districts/stations for the municipal elections in 2000.

Table 7 below illustrates the changes in the geographical distribution of voting districts and voting stations for the 1999, 2000, 2004 and 2006 elections.

Table 7: Change in geographical distribution of voting districts (VDs) and stations

Province	VDs 1999	VDs 2000 (% change)	VDs 2004 (% change)	VDs 2006 (% change)	VDs 2007 (% change)
Eastern Cape	2 646	3 087 (16.7)	4 115 (33.3)	4 368 (6.1)	4 368 (0)
Free State	1 075	1 061 (-1.3)	1 063 (0.2)	1 186 (11.6)	1 186 (0)
Gauteng	1 841	1 979 (7.5)	1 956 (-1.2)	2 172 (11)	2 172 (0)
KwaZulu-Natal	3 340	3 336 (-0.1)	3 556 (6.6)	4 064 (14.3)	4 064 (0)
Mpumalanga	877	1 023 (16.6)	966 (-5.6)	1 259 (30.3)	1 259 (0)
Northern Cape	357	396 (10.9)	347 (-12.4)	621 (79)	621 (0)
Limpopo	1 954	1 796 (-8.1)	2 170 (20.8)	2 274 (4.8)	2 274 (0)
North West	1 252	1 020 (-18.5)	1 445 (41.7)	1 488 (3)	1 488 (0)
Western Cape	1 308	1 290 (-1.4)	1 348 (4.5)	1 441 (6.9)	1 441 (0)
TOTAL	14 650	14 988 (2)	16 966 (13.2)	18 873 (11.2)	18 873 (0)



PERFORMANCE AGAINST STRATEGIC OBJECTIVE

The increase in voting districts has meant that the average number of registered voters per voting district and voting station decreased between elections, despite the overall increase in the number of registered voters. The average number of voters registered at voting stations declined from 1 232 per station in 2000 to 1 115 per station in 2006. This means that on average voters spend less time at voting stations compared with previous elections. When a by-election is held in a ward, the voting stations in that ward are utilised.

During the period under review the Commission undertook a review of the geographic functionality of all its voting districts and voting stations based on the experience of the 2006 elections and in accordance with human settlement and population changes that occurred since the 2006 municipal elections. The aim of the review was to ensure that voters in both rural and urban areas continue to have convenient access to their registration and voting stations. It is estimated that approximately 19 500 voting districts and stations will be delimited for the 2009 national and provincial elections - up 3% from 18 873 voting districts and stations used in the 2006 municipal elections. The actual number of voting districts and stations to be used in the 2009 elections will be finalised in the 2008/09 financial year, ahead of general voter registration.

The Commission also conducted an assessment of voting district and voting station identification operational processes with a view to introducing process efficiencies and improvements ahead of the forthcoming 2009 national and provincial elections. The review revealed operational improvements which could improve the spatial alignment of population settlement patterns to the Commission's network of voting districts and voting stations.

One such improvement involved establishing more structured and formal relations between the Commission and municipal development planning units well in advance of voting district re-delimitation and voter registration drives. A second improvement included the further enhancement of computer and geographic information technology software applications to allow provincial offices to recommend changes



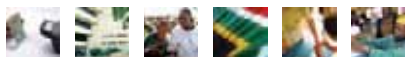
to the provincial voting district and voting station network. A third improvement involved a review of, and modifications to, the Commission's software application used in the management of its national network of voting stations.

With a view to enhancing the accuracy and quality of the national common voters' roll, further enhancements to the national address database (NAD) were undertaken, with an emphasis on rural village-type addresses. The NAD contains geo-referenced physical addresses of voters. This database facilitated checking whether voters were registered in the correct segments of the voters' roll.

The Municipal Demarcation Board (MDB) changed several outer municipal boundaries during the period under review not to be confused with ward boundaries. The Electoral Commission is required to assess the impact of such municipal boundary changes on its network of voting districts and stations, the voters' roll and voter registration, and on voter representation in the municipal councils concerned. This assessment was done and the Commission found that the changes did not impact on the voter representation in the municipal councils concerned.

R

Every month the voters' roll is run against the national population register to verify the status of voters and a total number of 20 291 743 voters were verified during the period. The verification process is important as it confirms a voter's status and the right to be on the verified or rejected section of the voters' roll. During this reporting period, 69 268 new voters were added to the voters' roll.



PERFORMANCE ACHIEVEMENT STRATEGIC OBJECTIVE

3.3 Informing civil society with a view to maximising citizen participation in democracy and electoral processes and to manage elections

The Commission celebrated the tenth anniversary of its establishment during the period under review. A task team was constituted to coordinate the various projects associated with the celebrations. The celebrations were launched on 3 August 2007, with a public lecture by the Vice-Chancellor of the University of South Africa, Professor Barney Mtshana. The lecture focused on the state of our democracy in South Africa and received wide coverage. The event was well attended.

The provincial offices of the Commission organised similar events during the period. These events brought together communities and representatives of civil society and raised awareness of the work of the Commission, especially with respect to democracy education. For this purpose a mobile photo exhibition was commissioned, which graphically illustrated the organisation's history and work.

In addition, the national and provincial offices of the Commission engaged in a number of civic education initiatives, which aimed to strengthen electoral democracy. These varied and were based on local needs and conditions. Some are highlighted in Table 8 below.

E C	osberaad with Farming Communities Provincial Youth Colloquium Traditional and Religious Leaders Seminar Voter Empowerment Programme for the Rural Communities Electorate Empowerment Programme in the Informal Settlements Democracy Development Seminars for Universities and FET colleges Democracy Development Imbiso for Rural Youth and Women
F	Youth Seminar at the University of the Free State Democracy Indaba Values in Education Workshop Mock elections Talk for Democracy with the S C of the University of the Free State
	Seminar for the Representative Council of Learners C s from all fifteen Gauteng districts Partnership with the City of Johannesburg to constitute a Student Council for the City
N	Seminar on Traditional Leadership Workshop for Community Development Workers CD s Inter-faith Democracy Workshop
L	District workshops for people with disabilities Women in Democracy Conference Civic and democracy debates for youth in secondary schools Youth symposium and Government Structures workshops at local level
	Women's Conference Learner Voter Education and ID Application Campaign
N C	Interaction amongst farm workers Democracy education content to be used for radio talk-shows by Community Radio Stations Community Radio Stations Colloquium
N	Multi-party Conference CD and Ward Committee Workshop Youth Seminar Faith-based Consultative Forum Woman in Democracy Summit ID campaigns in schools Voter Education Workshops with Businesses and Religious Formations Farmer Outreach Workshops Consultative Workshops with Tribal Authorities



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Celebrations on national days such as Freedom Day, Youth Day, Women's Day and Heritage Day were also used nationally and provincially to highlight issues pertaining to electoral democracy. These events were mostly celebrated in partnership with other Chapter 9 institutions.

A national Multi-Stakeholder Conference was held in Gauteng from 8 to 10 October 2007. The conference was intended to create a platform for political parties and civil society to reflect on the state of democracy in the country. On average, 35% of delegates were representatives of political parties, 13% were representatives of Chapter 9 Institutions, and 8% were representatives of NGOs.

The Commission engaged in various initiatives to address, in particular, the under-representation on the voters' roll and low levels of participation in electoral democracy by youth.

From 1 to 4 April 2007, the Commission hosted a colloquium of students' representative councils (SRCs) in collaboration with the national Department of Education. The theme of the colloquium was, "Enhancing Sustainable Electoral Democracy Development in Higher Education."

A number of recommendations flowed from the colloquium. These included:

- That the Department of Education, in collaboration with the Council on Higher Education and the Higher Education Quality Committee, should ensure that institutions develop curricula and compulsory modules on electoral laws, voter education, South African history, etc, to raise students' consciousness;
- That the South African Union of Students (SAUS) should facilitate and coordinate the development of capacity development programmes to enable SRCs to function effectively in structures of governance, e.g. Senate and Council;
- That a workshop to explore SRC partnerships with other Chapter 9 institutions be held and that SAUS should coordinate and organise that workshop;

- That SRCs and SAUS should liaise with the Electoral Commission on organising public forums on electoral democracy.

The Commission's assistance with elections of SRCs - as reported on earlier - also contributes to the deepening of democracy in the youth sector, specifically those at higher education institutions.

The Commission, together with the Gauteng Department of Education, started a process to review the learner material that is currently being used in the schools project at 550 schools throughout the country. After consultation with other provinces, it is proposed that the amended material will be used in the next financial year.

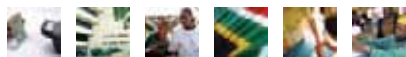
Voter education programmes were undertaken for all 65 by-elections that were held in the period under review. Such activities were undertaken to ensure that both registration and balloting education were conducted. Partly as a result of these initiatives, the percentage of spoilt ballots has been restricted to 1.07%.

The Commission continues to encourage all its stakeholders to participate in efforts to increase voter turnout for all elections. Voter turnout for by-elections in the period under review varied between 10.6% and 47.6%. Voter turnout for the 2006 municipal elections and the 2004 national and provincial elections was 48.4% and 76.7%, respectively.

By-Elections

During the period under review, 65 by-elections were held to fill ward vacancies, compared to 61 by-elections in the previous year. Ward vacancies must be filled within a 90-day period from the date on which the vacancy occurred. Most of the vacancies occurred due to death (35), followed by resignations (18).

Table 9 on the following page reflects the number of by-elections per province.

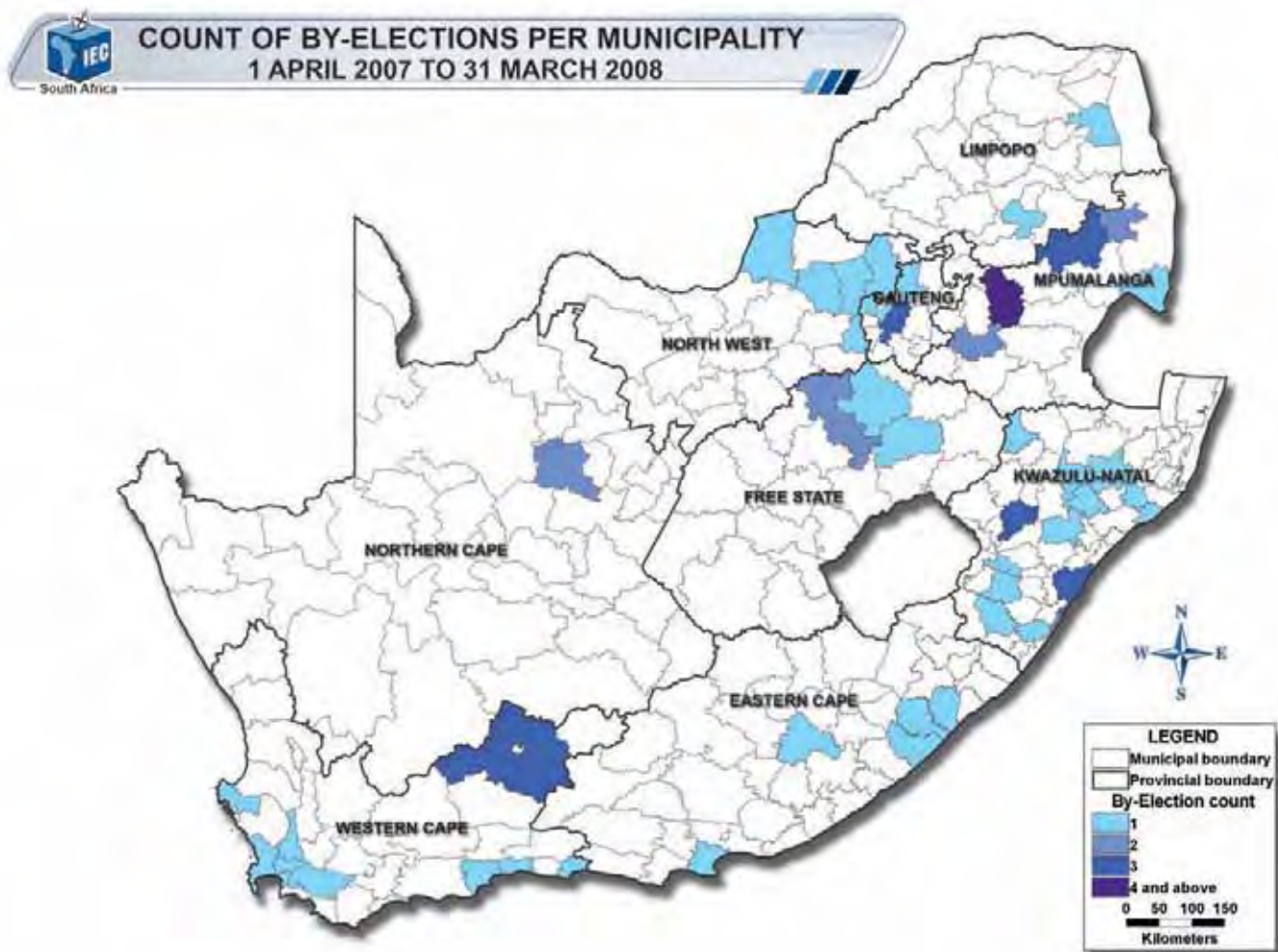


PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 9: By-election statistics per province (April 2007 to March 2008)¹

Province	By-elections	Number of Voting Districts	Number of Wards	Registered Voters
Eastern Cape	5	25	5	23 411
Free State	4	11	4	14 411
Gauteng	5	27	5	65 076
KwaZulu-Natal	19	95	19	97 942
Mpumalanga	12	34	12	45 797
Northern Cape	2	3	2	5 344
Limpopo	2	9	2	8 106
North West	5	12	5	23 050
Western Cape	11	27	11	47 795
TOTAL	65	243	65	330 932

¹ The figures given above include information for uncontested by-elections



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.4 Enabling and promoting the effective participation of political parties and independent ward candidates in electoral processes

Liaison with political parties

The Commission liaises with registered parties through regular meetings of the Party Liaison Committees (PLCs). The Committees are established in terms of the Regulations on Party Liaison Committees (R824 of 19 June 1998) and operate at national, provincial and municipal levels. Every registered party is entitled to representation on the different committees, dependent on representation in the legislatures at the different spheres.

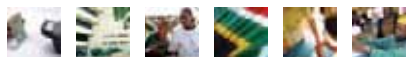
Once an election is proclaimed, all contesting parties and independent candidates are also represented on the appropriate committees.

The Committees serve as important links between the contestants and the Commission and provide forums for the sharing of information. They also serve as forums for different parties to interact with one another. The local PLCs also give parties opportunities to make input on matters such as voting district boundaries and location of voting stations. The local PLCs are also forums where the names of prospective Presiding Officers are made known and where parties are given the opportunity to make substantive objections against such persons.

Table 10 below summarises the number of PLC meetings that were held at various levels.

Table 10: PLC Meetings (1 April 2007 - 31 March 2008)

	National	Provincial	Municipal
National	6		
Eastern Cape		3	180
Free State		6	70
Gauteng		6	39
KwaZulu-Natal		13	152
Limpopo		6	61
Mpumalanga		5	76
Northern Cape		2	83
North West		6	88
Western Cape		3	59
TOTAL	6	50	808



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

From 1 April 2007 to 31 March 2008, the Commission hosted several activities where political parties were engaged on various topics. These interventions happened in the form of PLC workshops held at national, provincial and local levels. Subsequent to the Multi-stakeholder Conference, which the Commission organised at national level, the Commission's provincial offices held similar conferences and symposiums to address PLC members at provincial levels.

Registration of political parties

The total number of registered parties at the end of the reporting period was 146 (101 at National and 45 at Municipal Level). Unrepresented parties are required to renew their registration for the year before 31 January 2008. *Table 11* below presents the total number of parties registered with the Commission.

Table 11: Political Party Statistics: 1 April 2007 - 31 March 2008

	National	Local	Total
New Registrations	19	2	21
Cancelled	16	22	38
Total (31 March 2008)	101	45	146

The total number of unrepresented parties that failed to renew their registration by 31 January 2008 will be reported in the next reporting period.

Proportional representation (PR) list and candidate management

In the case of a PR councillor ceasing to hold office, the Local Government Municipal Structures Act (Act 117 of 1998) provides that the Chief Electoral Officer must fill the vacancy with the name of the candidate on top of the candidate list of the party to which the PR seat had been allocated.

During the reporting period a total of 215 PR vacancies were processed; mostly due to death (54), and resignations (77).

Floor crossing

The provisions in Schedule 6A (National Assembly and provincial legislatures) and 6B (municipal councils) of the Constitution allow members of these legislatures to change membership without losing their seats (also known as "floor crossing") during specific prescribed periods ("window periods") and subject to them complying with the requirements as set out in the

legislation. In the reporting period, the window periods as provided for in Schedule 6A and Schedule 6B overlapped. The Commission is, however, only responsible for administering the floor crossing at municipal level.

The third floor-crossing window period for municipal councils since the introduction of the legislation occurred in the period 1 September 2007 to 15 September 2007.

A total of 249 municipal councillors crossed the floor successfully in this period affecting the composition of 122 municipalities.

The three (3) parties with the largest net gains were:

- African National Congress with 54
- African People's Convention with 36
- National People's Party with 31



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

In terms of losses, the three (3) parties with the biggest net losses were:

- Pan Africanist Congress of South Africa with 41
- Independent Democrats with 27
- National Democratic Convention with 22

Of the new parties that were registered after June 2007, the following four (4) gained the most seats:

- African People's Convention with 36
- National People's Party with 31
- Federal African Congress with 9
- Federal Congress with 9

Of the 128 municipalities affected by floor-crossing, including unsuccessful applications, the province that had the most floor-crossings was KwaZulu-Natal with 28, followed by the Western Cape with 21 and the Eastern Cape with 15.

There was a majority shift in 12 municipalities. Of those, five were in KwaZulu-Natal and five in the Western Cape. There was only one merger of political parties, which took place between the Congress Movement of the Coloured People in South Africa and the United Democratic Movement.

Thirty (30) of the applicants for floor-crossings were not successful. Of these, three councillors did not meet the 10% requirement, four councillors crossed more than once, one councillor crossed prior to the floor-crossing window period while a PR councillor wanted to become an independent candidate and 21 were not councillors.

In instances where councillors did not comply with the legislated requirements, they lost their seats. The PR vacancies were filled by the original party while by-elections were held for the ward vacancies.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.5 *Maintaining and consolidating organisational systems and infrastructure for efficient delivery of elections*

Voting Stations infrastructure

Voting stations infrastructure was maintained and activated periodically to support by-elections as they occurred. Under these conditions the voting stations network remained basically unchanged.

Management of voting stations remains an integral part of election management, and continued emphasis is given to sanitising and improving the quality of data available on the voting stations database. Surveys were conducted in various areas to keep track of new developments country wide.

The network comprises 18 873 voting stations spread across the country. Of these, 17 859 are permanent, 932 are temporary and 82 are mobile voting stations. 65.6% (12 386) of voting stations are located in schools.

Of the 17 859 permanent voting stations, 20.7% (3 900) do not have operating electricity, 8.5% (1 606) do not have toilets and 12.2% (2 310) do not have water.

The Electoral Commission continuously seeks opportunities to enhance or develop existing voting station facilities - especially at schools and community centres - by cooperating with landlords, government departments and other stakeholders.

When a by-election is held in a ward, the voting stations in that ward are opened. Standardised lease agreements were entered into with all landlords to secure ongoing use of voting stations for that purpose.

Electoral logistics and by-election support

Support for by-elections comprised the following:

- Management of the ballot paper generation system (BPG). This system creates individual ballot papers for each ward by-election, and makes the papers available for printing at the local office of the Commission. The same applies to results slips.

- Management of the materials supply chain for by-elections. This includes procurement, preparation, picking and despatching of the necessary materials to voting stations for each by-election.
- Monitoring and maintaining adequate security materials stock.

The BPG system delivered reliable and consistently good results and may be used with confidence in future elections.

Security materials were effectively despatched and the established processes will be maintained in the new financial year. Electoral materials stock was replenished on time and within budget.

Logistics infrastructure

This infrastructure consists of the warehousing network and materials-handling equipment at the warehouses. The network consists of ten warehouses - one warehouse in each province and a central warehouse controlled from head office.

During the reporting year the national warehouse was relocated from a temporary facility to a well-equipped location.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Logistics information system

The Commission relies on a computerised logistics information system (LIS) for the planning, management and control of electoral materials. The logistics information system permits detailed materials requirement planning (MRP), from the voting stations level upward to combined national requirements. Materials planning is based on a comprehensive bill of materials (BOM) for each electoral activity. Materials are procured in accordance with the MRP requirements, and are taken into stock on the logistics information system. Distribution is planned in accordance with the MRP and is managed through the provincial and municipal levels down to each voting station. The system is reliably used to plan electoral materials procurement for by-elections and to manage the distribution thereof.



PBSU equipment

The Logistics Department is responsible for the safe storage and maintenance of all portable bar scanning units (PBSUs) used for voter registration.

In a strategy to accelerate voter identification, PBSUs carrying an electronic version of the relevant segment of the voters' roll were successfully deployed at voting stations during by-elections.

The PBSU equipment performed adequately and is technologically fit for limited further use. However, the overall physical state of the PBSU equipment has been

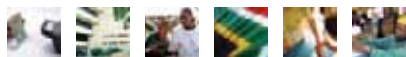
cause for concern due to age and the robust nature of its use in the field. The Commission has embarked on a project to replace the PBSU scanner fleet with 30 000 new units in the following financial year.

Development of local (municipal) offices

The Electoral Commission appoints a local representative - known as the municipal electoral officer (MEO) - in each of the 237 municipalities in the country. Each MEO is responsible for one municipal area. MEOs are normally senior employees of municipalities identified as being suitably qualified to provide part-time assistance on elections-related matters. MEOs are paid an honorarium to compensate them for their extra work. They facilitate cooperation between the Electoral Commission and their municipalities and promote the functional relationship between the Commission and the municipality in the registration of voters and the management of elections.

Day-to-day management of electoral matters and election-related projects requires full-time resources permanently located at municipal level. During the course of the year under review, the Commission instituted a new local delivery model to support this requirement in terms of which the Commission has appointed 439 electoral project coordinators (EPCs) across the 237 municipalities. In terms of the new delivery model, MEOs are not directly involved in operational matters.

The local EPC resource will be further strengthened at the time of elections by the appointment of short-term expansion staff in the form of area project coordinators (APCs), sub-MEOs, assistant MEOs, district council MEOs and area managers. These persons will be on fixed short-term contracts to assist with the increased workload and logistical arrangements.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.6 Developing and maintaining effective business processes in respect of financial management, information and communication technology, corporate services, legal services, and communications in order to ensure the effective functioning of the Commission

FINANCIAL MANAGEMENT

Monies received from other sources

All monies received from the state and other sources towards expenditure in connection with exercising of the Commission's powers and the performance of its functions are reflected in the annual financial statements accompanying this report. Other sources exclude foreign and local aid assistance as these funds are held in trust and spent according to the agreements entered into.

Annual Financial Statements

Annual financial statements comprise:

- Statement of financial position
- Statement of financial performance
- Statement of changes in net assets
- Cash-flow statement
- Accounting policies and
- Notes to the financial statements accompanying this report.

Overview of Funds Received and Spent

The Commission received R485.250 million for the year under review by way of a Parliamentary grant. Sundry income of R29.156 million was generated which largely consists of interest earned, bringing the Electoral Commission's total income to R514.406 million. All these funds have been accounted for and are disclosed in the financial statements. Property, plant and equipment to the value of R34.846 million were acquired during the year under review. Development costs of R15.698 million were incurred to develop intangible assets.

These funds and costs were accounted for as prescribed in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP) including any interpretations of such statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Practices Board as prescribed in the Treasury Regulations and the PFMA and relevant guidelines issued by the National Treasury.

Foreign and local aid assistance

The Commission did not receive funds for operational expenditure in this financial year. Funds utilised in this financial year were received in the previous financial years.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 12 : Summary of funds received and utilised

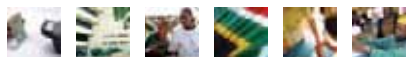
Donor	Received	Spent	Refunded	Balance 31 March 2008
Government of Ireland	2 250 120	2 208 133	0	41 987
Limpopo Local Government & Housing	2 000 000	1 999 122	0	878
Western Cape Local Government	294 488	84 987	209 501	0
Royal Netherlands Embassy	1 600 000	1 175 443	424 557	0
International IDEA	209 175	209 175	0	0
African Union	643 500	643 500	0	0
Danish Embassy (DRC)	5 000 000	5 000 000	0	0
UNDP (DRC)	76 155 293	76 155 293	0	0
Government of Ireland (DRC)	6 533 120	6 533 120	0	0

PROCUREMENT AND ASSET MANAGEMENT

During the year under review the Commission fully accepted its obligations in respect of supply chain management in terms of section 16A of the Treasury Regulations.

The Commission attended to the following in dealing with Supply Chain Management requirements:

- Effective implementation and operational management of an electronic procurement system (eProcurement/Votaquotes).
- Continued with 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, 2000.
- Implemented and maintained reporting requirements to National Treasury concerning contracts entered into and supplier details. This included continuous adjustment, where necessary, of its procurement systems and processes to enhance the Commission's reporting ability to National Treasury and SARS.
- Implementation and operational management of an effective contract management application system.
- Continued with the implementation a web-based asset management system to enhance the Commission's asset management procedures and systems at national, provincial and local level.
- Continuous bar-coding and recording of all assets in the asset register and ensuring frequent asset verification exercises at the national, provincial and local levels.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES



- Reassessment of assets in the Commission's asset register and alignment with PFMA, GRAP and IFRS requirements.
- Continued with skills development initiatives at the national and provincial offices for supply chain management functions.
- Commenced with an extensive procurement policy review process.

Assessment of procurement initiatives and impact on black economic empowerment and small business

An assessment of the impact of the Electoral Commission's procurement processes on small business development and black economic empowerment (BEE) during the year under review has been performed.

The Commission awarded 379 contracts of which 253 went to BEE companies (approximately R45.1 million). Approximately 95.5% of bids awarded through eProcurement auctions went to BEE companies.

Measured against actual expenditure, the value of contracts awarded to small businesses was as follows:

- Microenterprises (28.03% of expenditure)
- Very small enterprises (0.28% of expenditure)
- Small enterprises (65.51% of expenditure)
- Medium enterprises (1.76% of expenditure)

- Non-SMMEs (4.43% of expenditure)

Key figures in respect of the impact on small enterprises and BEE companies:

- 152 contracts were awarded to microenterprises (40.11%)
- 8 contracts were awarded to very small enterprises (2.11%)
- 188 contracts were awarded to small enterprises (49.60%)
- 16 contracts were awarded to medium enterprises (4.22%)
- 15 contracts were awarded to non-SMMEs (3.96%)

The actual expenditure on these contracts for the period under review came to R64.70 million, through the following procurement options:

- Tenders (R11.9 million)
- Quotations (R42.0 million)
- Auctions (R10.8 million)

INFORMATION AND COMMUNICATION TECHNOLOGY

During the period under review, the IT department offered stable and consistent infrastructure at Head Office, the nine provincial offices and the 237 municipal offices throughout the country. On an ongoing basis, the IT division continues to monitor technology trends and to identify technologies that can be implemented to add value to the Commission's business processes. In addition to this, the IT department also ensures that the existing systems and infrastructure continue to support the changing business processes. Some of the highlights during the period under review include the following:

- In response to the findings of the Auditor-General's report, the IT department embarked on a process of updating standard policies and procedures that are used to govern the use of IT services;
- The IT department embarked on an application



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

- renewal project to ensure that the existing applications were developed using the latest technologies that are still supported by the respective service providers. As part of this exercise, the team also engaged line function management to incorporate any system enhancements to improve the existing functionality;
- The Commission has a contact centre or helpdesk aimed at providing support to users throughout the country. To streamline the logging and tracking of calls, the IT department implemented a new contact centre management system. In addition to assisting with the streamlining of the call logging process, the system will also provide management with detailed reporting that will allow the monitoring of calls and adherence to the predefined service level agreements;
 - As part of the Auditor-General's guidelines, the Commission has to maintain an up-to-date asset register. To support this process, the existing asset management application was replaced with the enhanced web based system;
 - As part of its mandate, the Commission is responsible for managing the floor crossing exercise. The IT department provided the necessary system support throughout the floor crossing period;
 - As part of its application renewal exercise, the Commission decided to replace the legacy financial applications with SAP. The implementation of SAP is ongoing and the expected "go-live" date was April 2008;
 - In the area of communication infrastructure, a number of Commission offices are connected to the network using satellite communications. Together with Telkom, the Commission engaged on a project of switching to a new satellite that uses the latest communication technologies;
 - Compiling and maintaining a credible voters' roll is one of the key mandates of the Commission. To achieve this, the Commission relies on mobile scanning devices that were procured in preparation for the 1999 elections. The Commission has now

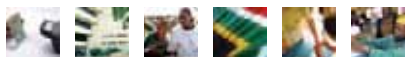
embarked on a process of procuring new Portable Barcode Scanning Units (PBSU). The IT division compiled the technical specifications that have formed part of the tender document;

- Geographic Information Systems (GIS) plays a critical role in the support of electoral processes. During the period under review, GIS was engaged on a number of projects such as the Voting District (VD) boundaries alignment project, compilation of the digital atlas for the 2006 elections, collection and incorporation of aerial photography into the existing GIS database and updating the National Address Depository with the latest available street addresses; and
- During the period under review, the Commission hosted a number of conferences where local and international guests were invited. To support the process of sending and confirming invitations to the different guests, the IT department built the Event Manager system. The system has been successfully used for all the events that were hosted in the current financial year. In addition to supporting the Event Manager, the IT department was also responsible for installing the necessary ICT infrastructure during every event.

Preparations for the next elections in 2009

The next election is less than two years away. In preparation for the event, the IT department has already consulted various stakeholders, including political parties, to ensure that the existing systems and infrastructure will be ready to support the event. In addition to liaising with all the affected stakeholders, the preparations are also informed by recommendations highlighted during the debriefing sessions held immediately after the 2006 municipal elections.

To ensure a stable and reliable environment, the IT department initiated a review of the infrastructure and application architecture. The outcomes of this review will be used to initiate projects aimed at improving the current architecture. Project charters on the proposed changes to the existing supporting systems are being compiled and the projects will kick off as soon as



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Launch of the “Go Green” campaign at Makgatho Primary School, Atterigdeville in Pretoria on 25th October 2007

possible. The procurement processes for the necessary hardware and software have already started and the critical ones have been concluded. The IT department has also started scaling up the human resources required to support the elections.

CORPORATE SERVICES

During this period appropriate office accommodation was secured through existing and renewed lease agreements to enable employees to perform their daily responsibilities in a secure working environment. All legislation such as the Occupational Health and Safety Act had been adhered to. Efficient transport, travel and courier services were rendered in compliance with organisational requirements. Seven incidents involving Electoral Commission vehicles were recorded.

All documented information was effectively managed and filed in compliance with relevant legislation namely the National Archives and Record Service of South Africa Act No. 43 of 1996, Promotion of Access to Information Act No. 2 of 2000 and Electronic Communications and Transactions Act No. 25 of 2002. A Library catering for elections and related support functions for staff has approximately 11 200 books and other publications in both hard copy and electronic format.

Security services were outsourced and four incidents of burglary or theft occurred at Electoral Commission sites during the period. Mainly electronic office equipment was removed from the affected premises. The replacement value of the stolen equipment was approximately R33 100.00.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

COMMUNICATION

For the year under review, the communication challenges for the Electoral Commission included, amongst others, the profiling of the Electoral Commission and its mandate; the persuasion of youth voters to register, participate and support activities that would strengthen democracy; and supporting ongoing activities of the Electoral Commission.

Events

In July 2007 the Electoral Commission hosted a Multi-stakeholder Conference with political parties, the media and other stakeholders to discuss issues of mutual interest as part of its 10th anniversary celebrations.

Earlier in the year, the institution hosted the Student Representative Council Colloquium which engaged students on issues of electoral democracy. This conference formed part of its outreach and stakeholder management programme.



Communication for by-elections

As part of its ongoing communication activities, details of every by-election that was held were communicated within the affected wards. In total 65 by-elections were conducted in the financial year under review. For each of these by-elections, appropriate communication channels, aimed at sharing information with the electorate, political parties and stakeholders, were used, depending on the popular media used in the wards where by-elections were held. Media used in the period under review included community newspapers, community radio, posters, pamphlets and leaflets.

The Electoral Commission continuously informs registered voters and the South African public in general about by-elections that will be taking place as well as the results of these by-elections by sending media releases before and after each by-election.

Communication campaigns

The Electoral Commission extensively collected information to profile selected target audiences, particularly with regard to the youth and women.

One radio advert in all eleven official languages was produced to commemorate Youth Day. It was flighted for four days on all public broadcast stations (PBS) as well as commercial radio stations (CBS) and independent stations.

For Women's Day a print advert was placed in national and selected regional newspapers. The Electoral Commission also capitalised on opportunities presented in a variety of community activities such as cultural shows (e.g. Royal Pietermaritzburg Show, Macufe, Rand Easter Show, Pretoria Show) and national and provincial commemorative events (e.g. Freedom Day, Youth Day, Women's Day) where information stalls provided the public with pamphlets and promotional material.

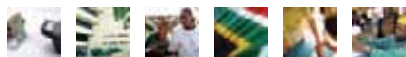
Publications

In areas where the Electoral Commission undertook campaigns to persuade eligible voters to register, these campaigns were supported through various publications specific to these areas and purposes.

In this regard, three million general registration pamphlets and a further three million pamphlets on registration for use in schools were printed and distributed.

Website

As a service to delegates, a special webpage was set up for each of the conferences hosted. These contained information about the conference such as travel and accommodation arrangements, the programme, papers, media information and other relevant documents.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

In addition, the Electoral Commission used its website as a resource to promote the Commission and to inform the voting public about Electoral Commission events, by-elections and their results, media releases, reports such as annual reports, election reports and reports on special events.

Media monitoring

The Electoral Commission continues to monitor coverage of the institution and its activities in all media; print, electronic and online. The Commission is satisfied that ongoing monitoring and interventions undertaken as a result of this monitoring have strengthened its credibility with its stakeholders.

Profiling and partnerships

The Electoral Commission placed advertisements in several publications such as Gaffney's Yearbook on Local Government 2006/2008, the Pan-African Parliament annual publication and CEO Magazine to profile the institution.

Advertisements were also carried in free study guides for Grades 9 and 12 learners to inform and strengthen electoral democracy.

The Electoral Commission's main social responsibility project for the year under review was the Go Green campaign which entailed the planting of trees at schools used as voting stations.

The institution also supported events such as World Aids Day and "Take a Girl Child to Work" day.

LEGAL SERVICES

Service level agreements

During the year under review in excess of 150 Service Level Agreements (SLAs) were entered into with various service providers for the rendering of a host of services to the Electoral Commission, thereby ensuring that the Electoral Commission has legally enforceable contracts.

Litigation

A total of 43 cases were referred to the High Court for a decision or a judgement in various disputes and applications. In the majority of these cases the Electoral Commission was either directly cited as the main respondent in the dispute, or merely as one of the respondents in application. The majority of the cases dealt with disputes as a direct result of floor crossings.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.7 Offering continuous structured training to officials to facilitate the effective functioning of the organisation, including a fluent and effective electoral process

Electoral staff training

In the run-up to the 2006 municipal elections the Commission successfully implemented many new and innovative training strategies. The overall assessment of this new training model was that it was a major improvement on previous models for past elections. The overall performance of presiding officers during the voting and counting processes as well as the time taken to count ballots and then process results, reflected a significant improvement on previous performances.

All of the above clearly demonstrates the need to adopt a similar strategy for the 2009 elections. Whilst adopting a similar strategy to the one used in 2006, it was decided to change and adapt that strategy for 2009. The learning model for 2009 is as follows:

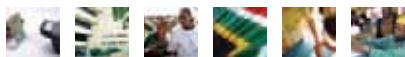
- A cascading Train-the-Trainer approach
- The use of internal Commission staff (mainly EPCs and APCs)² as trainers
- The use of about 60 Lead Trainers nationally (approximately 6 per province - mainly regional co-ordinators)
- The use of about 350 provincial trainers (approximately 40 per province)
- A national 5-day Lead Trainers Facilitation and Content Workshop (service provider to be utilised)
- Nine provincial 3-day Trainers Facilitation and Content Workshop (service provider to be utilised)
- Use of well-trained, competent trainers for registration and elections
- Effective, user-friendly training materials
- A set of performance measures

² APC = Area Project Coordinator appointed as additional staff on a fixed duration to assist EPCs during electoral events



There are two main training events for 2009: Voter Registration and the Voting, Counting and Results training.

The Voter Registration campaigns will involve training approximately sixty thousand registration staff for 2 registration weekends (one in October or November 2008 and one in January or February 2009).



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

The training of election staff will involve the training of approximately sixty thousand Presiding Officers and Deputy Presiding Officers who in turn will train approximately one hundred and fifty thousand voting staff.

Nationally the aim would be to utilise about 450 trainers (50 per province), including about 60 lead trainers (6 per province).

In the first week of May 2007, a National Training Workshop was hosted by the Western Cape provincial office. A comprehensive draft training blueprint was compiled at this workshop.

During May 2007, International IDEA organised a Building Resources in Democracy, Governance and Elections (BRIDGE) "Train the Facilitator" Workshop from 7 to 18 May 2007 in Pretoria. Delegates from approximately twelve African countries were invited to this workshop. The aim of these BRIDGE election workshops is to improve the service delivery of Election Management Bodies (EMBs) in Africa.

A second National Training Workshop took place from 1 to 3 October 2007. The focus of this workshop was on election and registration process validation which would assist in the compilation of training manuals.

International IDEA hosted a 3-day BRIDGE Project Implementation Workshop in Pretoria from 5 to 7 November 2007. This workshop focused on the successful implementation of BRIDGE Courses within EMBs.

A task team was constituted in December 2007 to critically evaluate the training draft blueprint and come up with recommendations. This task team met in January and February 2008 and finalised the training blueprint document.

A special task team was also constituted in February 2008 to review all training materials used previously.

International IDEA co-hosted a two week "Train the Facilitator" Workshop in Pretoria from the 3rd to the 14th of March 2008. Again twelve African countries, including South Africa, were invited to send delegates from their EMBs to attend the workshop.

Table 13 below indicates the number of election officials who were trained during the period under review.

	Total
Eastern Cape	175
Free State	74
Gauteng	5
KwaZulu-Natal	686
Limpopo	80
Mpumalanga	126
North West	54
Northern Cape	39
Western Cape	381
	1620



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.8 Positioning the human capital within the organisation for effective delivery of elections and making the Commission the employer of choice

Human Resources Management

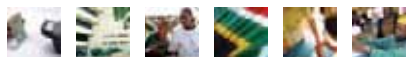
The Electoral Commission embarked upon a consultative organisational review process in 2007, resulting in the rationalisation of posts and the incorporation of Electoral Project Coordinators (EPCs) as part of the permanent staff component in August 2007. Special provision was also made for a new division dealing specifically with outreach and democracy development related projects, as well as the duplication of these

functions on provincial level. The total staff provision (organogram) of the Commission is 805, covering service delivery and human resources at national, provincial and local level.

The Commission subsequently embarked upon an extensive recruitment and selection process in November 2007 to absorb over-establishment employees due to the review process, as well as prioritise the filling of senior managerial positions in preparation for the upcoming electoral events. A particular challenge was the appointment of women at senior management level. The Commission succeeded in recruiting 4 women at senior level, as indicated in **Table 14** below.

Table 14: Positions - March 2008

Component	Rank	Approved Posts	Posts Filled	Vacant Posts
Office of the CEO	CEO	1	1	0
Commission Services	Manager	2	2	0
	Senior Admin Officer	1	1	0
	Manager	1	1	0
	Deputy Manager	1	0	1
	Senior Admin Officer	2	2	0
DCEO Corporate Services IT Operations	Deputy CEO	1	1	0
	Senior Admin Officer	1	1	0
	Senior Manager	1	1	0
	Manager	2	1	1
	Deputy Manager	8	2	6
	Assistant Manager	10	4	6
	Senior Admin Officer	4	0	4
	Admin Officer	5	3	2
	Assistant Admin Off	2	0	2
	Chief Financial Officer	Senior Manager	1	1



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 14: Positions - March 2008 (Continued from page 52)

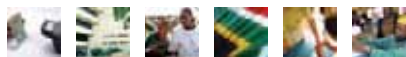
Component	Rank	Approved Posts	Posts Filled	Vacant Posts
HR, Training, Skills Development & Support	Manager	3	3	0
	Deputy Manager	4	3	1
	Assistant Manager	3	1	2
	Senior Admin Officer	7	3	4
	Admin Officer	19	13	6
	Assistant Admin Off	2	1	1
	Senior Manager	1	0	1
	Manager	3	2	1
	Deputy Manager	7	5	2
	Assistant Manager	4	4	0
	Senior Admin Officer	4	3	1
	Admin Officer	7	7	0
	Assistant Admin Off	2	1	1
	Senior Admin Clerk	2	0	2
	Admin Clerk	7	6	1
	Legal Services	Messenger/Cleaner	10	9
Manager		1	0	1
Deputy Manager		1	1	0
Assistant Admin Officer		1	0	1
DCEO Electoral Matters	Deputy CEO	1	1	0
	Senior Admin Officer	1	1	0
Logistics & Infrastructure	Senior Manager	1	1	0
	Manager	2	1	1
	Deputy Manager	2	1	1
	Assistant Manager	2	0	2



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 14: Positions - March 2008 (Continued from page 53)

Component	Rank	Approved Posts	Posts Filled	Vacant Posts	
Electoral Matters	Senior Admin Officer	2	2	0	
	Assistant Admin Officer	2	1	1	
	Senior Manager	1	1	0	
	Manager	2	2	0	
	Deputy Manager	1	1	0	
	Assistant Manager	2	1	1	
	Senior Admin Officer	2	2	0	
	Assistant Admin Officer	2	1	1	
DCEO Outreach	Deputy CEO	1	1	0	
Communication	Senior Admin Officer	1	0	1	
	Manager	1	1	0	
	Deputy Manager	2	0	2	
	Assistant Manager	1	1	0	
	Senior Admin Officer	1	1	0	
	Admin Officer	1	0	1	
	Assistant Admin Officer	1	0	1	
	Civic Education, Research & Knowledge Management	Senior Manager	1	1	0
Manager		1	0	1	
Deputy Manager		1	0	1	
Assistant Manager		1	0	1	
Senior Admin Officer		1	0	1	
Assistant Admin Off		1	0	1	
Provincial electoral staff: Limpopo		Senior Manager	1	1	0
		Manager	1	1	0
	Deputy Manager	1	1	0	



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

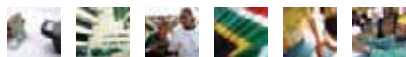
Table 14: Positions - March 2008 (Continued from page 54)

Component	Rank	Approved Posts	Posts Filled	Vacant Posts
Local	Assistant Manager	4	3	1
	Senior Admin Officer	10	7	3
	Admin Officer	1	1	0
	Assistant Admin Off	1	0	1
	Messenger/Cleaner	1	1	0
	Office Supervisor	5	4	1
	Electoral Project Coordinator	44	33	11
Provincial electoral staff: Free State Provincial	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	0	1
	Assistant Manager	4	1	3
	Senior Admin Officer	10	6	4
	Admin Officer	1	1	0
	Assistant Admin Off	1	0	1
	Messenger/Cleaner	1	1	0
	Office Supervisor	2	2	0
	Electoral Project Coordinator	31	21	10
	Local			
Provincial electoral staff: Mpumalanga Provincial	Senior Manager	1	1	0
	Manager	1	0	1
	Deputy Manager	1	1	0
	Assistant Manager	4	2	2
	Senior Admin Officer	8	3	5
	Admin Officer	1	1	0
	Assistant Admin Off	1	1	0
	Messenger/Cleaner	1	1	0



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 14: Positions - March 2008 (Continued from page 55)				
Component	Rank	Approved Posts	Posts Filled	Vacant Posts
Local	Office Supervisor	2	1	1
	Electoral Project Coordinator	33	25	8
Provincial electoral staff: North West Provincial	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	0	1
	Assistant Manager	4	2	2
	Senior Admin Officer	9	4	5
	Admin Officer	1	1	0
	Assistant Admin Off	1	1	0
	Messenger/Cleaner	1	1	0
Local	Office Supervisor	0	0	0
	Electoral Project Coordinator	38	35	3
Provincial electoral staff: Northern Cape Provincial	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	4	3	1
	Senior Admin Officer	10	5	5
	Admin Officer	1	1	0
	Assistant Admin Off	1	1	0
	Messenger/Cleaner	1	1	0
Local	Office Supervisor	0	0	0
	Electoral Project Coordinator	35	38	-3
Provincial electoral staff: KwaZulu-Natal Provincial	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	1	1



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 14: Positions - March 2008 (Continued from page 56)

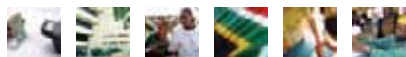
Component	Rank	Approved Posts	Posts Filled	Vacant Posts
Local	Assistant Manager	6	7	-1
	Senior Admin Officer	15	11	4
	Admin Officer	2	1	1
	Assistant Admin Off	2	2	0
	Messenger/Cleaner	1	1	0
	Office Supervisor	5	3	2
	Electoral Project Coordinator	89	80	16
Provincial electoral staff: Eastern Cape Provincial Local	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	3	3	0
	Assistant Manager	5	5	0
	Senior Admin Officer	11	8	3
	Admin Officer	3	3	0
	Assistant Admin Off	2	2	0
	Messenger/Cleaner	1	1	0
	Office Supervisor	14	13	1
	Electoral Project Coordinator	68	54	17
Provincial electoral staff: Western Cape Provincial	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	1	1
	Assistant Manager	5	2	3
	Senior Admin Officer	10	4	6
	Admin Officer	1	1	0
	Assistant Admin Off	1	1	0
	Messenger/Cleaner	1	0	1



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 14: Positions - March 2008 (Continued from page 57)

Component	Rank	Approved Posts	Posts Filled	Vacant Posts
Local	Office Supervisor	1	1	0
	Electoral Project Coordinator	34	30	4
Provincial electoral staff: Gauteng Provincial	Senior Manager	1	1	0
	Manager	1	0	1
	Deputy Manager	2	1	1
	Assistant Manager	6	2	4
	Senior Admin Officer	8	2	6
	Admin Officer	2	1	1
	Assistant Admin Off	1	1	0
	Senior Admin Clerk	1	0	1
	Messenger/Cleaner	1	1	0
	Local	Office Supervisor	4	1
Electoral Project Coordinator		32	35	-3
TOTAL		805	610	195



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Employment equity

The Commission's five-year employment equity plan expired in August 2007 and was reviewed in compliance with the provisions of the Employment Equity Act, 1996.

The process of re-drafting a new Employment Equity Plan began in earnest at the beginning of 2007 and was adopted by the Employment Equity Committee of the Commission in March 2008. Line managers consider the

stated employment equity targets of the Commission to meet numerical goals, and ensure that these goals are reflected in final decisions pertaining to the recruitment, employment and development of staff.

Table 15 below reflects the employment equity status of the organisation as at 31 March 2008.

Table 15: Employment equity status

LEVEL	A/M	C/M	I/M	W/M	A/F	C/F	I/F	W/F
DCEO / Senior Manager	9	2	0	2	4	0	1	0
Manager	4	3	0	3	3	2	0	4
Deputy Manager	9	1	3	1	4	0	0	3
Assistant Manager	11	2	0	3	10	1	3	6
Senior Administrative Officer	9	2	1	3	17	1	0	7
Administrative Officer	7	0	2	0	13	5	3	10
Assistant Administrative Officer	186	24	6	13	155	30	2	17
SAC / Administrative Clerk	0	1	0	0	5	1	0	0
Housekeeper / Driver	10	0	0	0	7	0	0	0
TOTAL	245	35	12	25	218	40	9	47

Performance management, rewards and skills development

Job profiles and descriptions were developed and amended as a result of the organisational review process. Performance agreements have subsequently been reviewed in terms of the amended job descriptions and adopted strategic objectives of the Commission.

Provision was also made for the newly developed local divisions of the Commission.

Training on Performance Management will commence towards the end of May 2008. It is envisaged that all levels and categories of employees will undergo training relevant to what the organisation expects of them.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 16: Recruitment, promotions and resignations

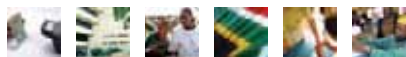
LEVEL	Recruited	Promoted	Resigned	Foreign employees
DCEO / Senior Manager	4	0	1	0
Manager	1	0	3	0
Deputy Manager	0	0	2	0
Assistant Manager	0	3	3	0
Senior Administrative Officer	0	51	0	0
Administrative Officer	0	30	0	0
Assistant Administrative Officer	352	0	0	0
Administrative Clerk	3	0	1	0
Housekeeper / Driver	3	0	0	0
TOTAL	363	84	11	0

Skills development

Table 17 below reflects skills development and training activities during the year under review.

Table 17: Skills development and training

Number of staff	Programme	Internal / External
35	Bursary Scheme Allocation and approval	External
4	Management Development Programme	External
2	Project Management Programme	External
3	Warehousing	External
3	Supply Chain Management Programme	External
4	Office Administration	External
1	Report Writing	Internal
3	Messengers and Drivers	External
2	E - Learning	External
1	Summit - SITO	Internal



PERFORMANCE ACHIEVEMENT RATE OBJECTIVE

Table 17: Skills development and training (Continued from page 10)		
N		Location
9	Tax year end 2007	Internal
3	Executive Secretaries and Personal Assistants	External
1	Supervisory skills programme	External
1	Diploma in Labour Law	External
1	Certificate in LIS	External
1	Advanced programme in Project Management	External
4	Diploma in Labour Law	External
1	Essentials of Project Management	External
2	Additional Diploma in Payroll	External
6	Computer course	External
11	Membership of professional bodies	External
1	Advanced human resources management programme	External

E

The following Table 18 presents a summary of expenditure on remuneration for Commissioners and Senior Management during the financial year under review.

Table 18: Personnel Expenditure - Salaries	
	A/R
C	3 385 687.00
	11 875 288.04

I

The average number of days' sick leave taken is reflected in Table 19 on the following page.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Table 19: Average days sick leave by rank

Rank	Days
Senior Manager	2.14
Manager	2.43
Deputy Manager	4.95
Assistant Manager	4.79
Senior Administrative Officer	4.38
Administrative Officer	5.94
Assistant Administrative Officer	2.20
Administration Clerk	1.40
Messenger / Cleaner	4.65

No incidents of injury while on duty or in the working environment were reported. However, three employees - listed below - passed away during the past year.

Province	Name	Date of death
KwaZulu-Natal	SF Mlungwana	7 June 2007
KwaZulu-Natal	AF Botha	15 June 2007
Eastern Cape	NP Mdunyelwa	23 August 2007

Collective agreements, labour relations, and disciplinary actions

A collective agreement was entered into with the National Education and Allied Workers Union (NEHAWU) during the year under review.

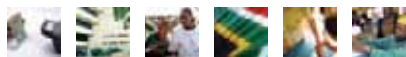
Disciplinary actions were taken against 16 employees for alleged offences relating to financial misconduct, misconduct and fraud against the Electoral Commission. As a result of the actions taken against those employees, one employee received a final written warning, the services of another were terminated, eleven employees were summarily dismissed, and three tendered their resignations.

All fraudulent matters were reported to the South African Police Services, and these individuals were criminally charged.

During the year under review a total of six cases were referred to the CCMA by former employees of the Electoral Commission alleging unfair dismissal. The Commission has successfully defended all six CCMA referrals.

HIV/AIDS and programmes for promoting health

The Electoral Commission endeavours to promote HIV / AIDS awareness in the workplace. As part of its social responsibility programme, the Commission has entered into partnerships with a number of institutions working on HIV / AIDS-related initiatives. The Commission also developed a policy to support staff members who suffer from chronic diseases.



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SECTION 4



SOUTH AFRICA

REPORT OF THE AUDIT COMMITTEE
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2008



REPORT OF THE AUDIT COMMITTEE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

Report of the Audit Committee required by Treasury Regulations 27.1.7 and 27.1.10 (b) and (c) issued in terms of the Public Finance Management Act, 1999 (Act 1 of 1999), as amended by Act 29 of 1999

We are pleased to present our report for the financial year ended 31 March 2008.

1. Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and meets at least twice per annum as per its approved terms of reference. During the current year, three meetings were held.

Name of Member		Number of meetings Attended		
		08-Feb-08	27-Jul-07	23-May-07
Mr. J. Maqubela (Chairperson)	3	4	4	4
Ms. K.E. Moloto-Stofile	1	6	6	4
Mr. J. F. J. Scheepers	3	4	4	4

2. Audit Committee Responsibility

The Audit Committee reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

3. The effectiveness of internal control

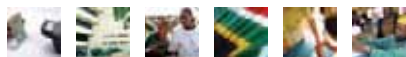
The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective for the focus areas reviewed. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The instances of non-compliance with prescribed policies and procedures reported in the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and Management Letter of the Auditor-General is noted. However, the Audit committee accepts the Management's undertaking to address these matters and hereby directs Internal Audit to ensure progress in this regard.

Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

4. Quality of in-year management, monthly and quarterly reports

The Committee is satisfied that the policies and procedures implemented by management were sufficient to ensure that the accounting and information systems and related controls are adequate and effective.



REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

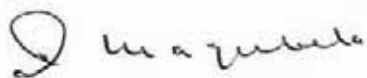
5. Evaluation of Annual Financial Statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and the response of management thereto;
- Reviewed changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee is of the opinion that the annual financial statements are a fair reflection of the financial position of the Electoral Commission and that all funds have been accounted for as disclosed.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements. The audit Committee is of the opinion that the audited annual financial statements are accepted and read together with the report of the Auditor-General.



.....
Chairperson of the Audit Committee

Date 31 July 2008
.....



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SECTION 5



SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL



REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO ELECTORAL COMMISSION ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF ELECTORAL COMMISSION FOR THE YEAR ENDED 31 MARCH 2008 REPORT ON THE FINANCIAL STATEMENTS

I

1. I have audited the accompanying financial statements of the Electoral Commission which comprise the statement of financial position as at 31 May 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages 74 to 112.

R

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

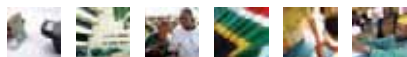
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3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

B

8. The constitutional institution's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 to the financial statements.



REPORT OF THE AUDITOR GENERAL

O

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Electoral Commission as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the FMA

E

Without qualifying my audit opinion, I draw attention to the following matter

I

10. As disclosed in note 19 to the financial statements, irregular expenses to the amount of 16,214,027 were incurred during the financial year ended 31 March 2008 due to the following reasons
- Treasury regulation 15.12.3 requires that all payments in excess of 2 000 must be effected electronically unless otherwise approved by the relevant treasury. The Electoral Commission made cheque payments for amounts exceeding 2 000 to the value of 515,790 during the financial year ended 31 March 2008 without obtaining the approval from National Treasury.
 - Treasury regulation 17.3.1 states that institutions may not amend existing or institute new computerised systems that will affect financial administration without the prior written approval of the National Treasury. The Electoral Commission acquired a new computerised financial and administrative system without obtaining written approval from National Treasury as required in terms of Treasury regulation 17.3.1. The expenditure incurred during the financial year ended 31 March 2008 amounted to 15,698,237.

OTHER MATTER

Non-compliance with applicable legislation

F A T R

11. Treasury regulation 8.2.3 states that unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement. The Electoral Commission did not make payments to suppliers within 30 days to comply with the Treasury regulations. The value of the payments identified in this regard amounted to 1,111,083.71.
12. Treasury regulation 15.10.1.2. j 15.10.1.2 requires the Electoral Commission to perform bank reconciliations on a daily basis to detect any unauthorised entries. The Electoral Commission did not perform bank reconciliations on a daily basis to comply with the Treasury regulations.
13. Paragraph 5.2 of Practice Note Number SCM 3 of 2004 requires the Electoral Commission to submit reports to National Treasury in respect of each contract concluded within 15 days of the end of each month for that month. The Electoral Commission did not report all tenders awarded in excess of 200 000 within 15 days after the month during which tenders were awarded to comply with the Practice Note SCM 3 of 2004. The value of the tenders awarded in this regard amounted to 23 637 091.
14. Paragraph 3.1 of National Treasury Practice Note 6 of 2007/2008 requires accounting officers to report within ten (10) working days to the relevant treasury and the Auditor-General, all cases where goods and services above the value of 1 million AT included were procured in terms of Treasury regulation 16A6.4. The Electoral Commission did not report all instances to National Treasury or the Auditor-General where the Electoral Commissions procured goods or services in excess of 1 million by means in other than competitive bids to comply with the National Treasury Practice Note 6 of 2007/08. Seven bids amounting to 24 791 619 were not reported to National Treasury in this regard.



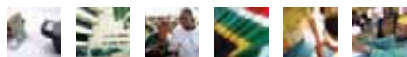
REPORT OF THE AUDITOR GENERAL

15. The FMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows

	Y	N
A		
• The constitutional institutions had an audit committee in operation throughout the financial year.	es	
• The audit committee operates in accordance with approved, written terms of reference.	es	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the FMA and Treasury regulation 3.1.10 27.1.8 section 166 2 of the MFMA .	es	
I		
• The type of entity had an internal audit function in operation throughout the financial year.	es	
• The internal audit function operates in terms of an approved internal audit plan.	es	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury regulation 3.2 27.2 section 165 2 of the MFMA .	es	
O		
The annual financial statements were submitted for audit as per the legislated deadlines section 40 of the FMA for departments and constitutional institutions section 55 of the FMA for public entities section 126 of the MFMA for municipalities and municipal entities .	es	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		o
o significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and or the unavailability of senior management.	es	
The prior year's external audit recommendations have been substantially implemented.	es	

U

16. The supplementary information set out on pages 106 to 112 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly do not express an opinion thereon.



REPORT OF THE AUDITOR-GENERAL

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

17. I have reviewed the performance information as set out on pages 14 to 21.

Responsibility of the accounting officer for the performance information

18. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the Electoral Commission.

Responsibility of the Auditor-General

19. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008 [and section 45 of the MSA].

20. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

21. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

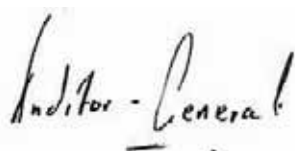
Audit findings (performance information)

Objectives reported in annual report, but not predetermined as per strategic/corporate/annual performance/integrated development plan and/or budget

22. The strategic plan of the Electoral Commission for 2007-08 was approved during February 2007 and did not include the timeframes or targets for the entity's programmes for performance indicators, as required by Treasury Regulation 5.2.3(d). The Electoral Commission only set applicable timeframes and targets for the 2007-08 performance information indicators as part of the ENE submission during made to National Treasury during January 2008.

APPRECIATION

23. The assistance rendered by the staff of the Electoral Commission during the audit is sincerely appreciated.



Pretoria

31 July 2008



2008



SECTION 6



SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2008



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STATEMENT OF FINANCIAL POSITION as at 31 March 2008

	Notes	2008 R	2007 R
ASSETS			
Non-current assets			
Property, plant and equipment	1	74 352 254	59 201 219
Intangible assets	2	24 055 248	8 357 011
		<u>98 407 502</u>	<u>67 558 230</u>
Current assets			
Inventories	3	1 334 019	847 982
Trade and other receivables	4	8 268 142	16 699 323
Prepayments and advances		4 167 202	254 243
Cash and cash equivalents	5	290 555 321	174 355 160
		<u>304 324 684</u>	<u>192 156 708</u>
Total assets		<u>402 732 186</u>	<u>259 714 938</u>
LIABILITIES			
Non-current liabilities			
Deferred income	6	1 243	650 200
Operating lease smoothing	7	544 291	904 171
		<u>545 534</u>	<u>1 554 371</u>
Current liabilities			
Trade and other payables	8	58 466 197	46 248 882
Current portion of provisions	9	2 724 250	2 925 518
Current portion of deferred income	6	601 694	660 331
Foreign and local aid assistance	10	9 405 986	11 615 163
		<u>71 198 127</u>	<u>61 449 894</u>
Total liabilities		<u>71 743 661</u>	<u>63 004 265</u>
NET ASSETS		<u>330 988 525</u>	<u>196 710 673</u>
Reserve			
Accumulated surplus		330 988 525	196 710 673
Total net assets		<u>330 988 525</u>	<u>196 710 673</u>

J.P. Tlakula

ADV FDP TLAKULA
CHIEF ELECTORAL OFFICER

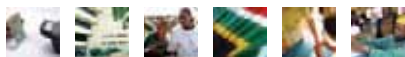
31 July 2008

DATE



STATEMENT OF FINANCIAL PERFORMANCE as at 31 March 2008

	Notes	2008 R	2007 R
REVENUE	11	514 405 544	495 406 927
Operating expenditure		(380 127 692)	(457 955 047)
Surplus for the year	12	<u>134 277 852</u>	<u>37 451 880</u>



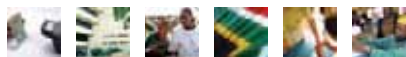
STATEMENT OF CHANGES IN NET ASSETS as at 31 March 2008

	Unutilised surplus/(deficit) R
Balance at 31 March 2006	159 258 793
Surplus for the year restated	37 451 880
Surplus for the year as previously stated	38 304 458
Adjustment for leases	(270 551)
Adjustment for prior year expenses	(582 027)
Restated balance as at 31 March 2007	<u>196 710 673</u>
Surplus for the year	<u>134 277 852</u>
Balance at 31 March 2008	<u><u>330 988 525</u></u>



CASHFLOW STATEMENT for the year ended 31 March 2008

	Notes	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		492 315 733	473 247 056
Cash paid to suppliers and employees		(352 722 340)	(517 386 656)
Cash generated from/(utilised by) operations	13.1	139 593 393	(44 139 600)
Interest received		26 608 034	15 088 698
Interest paid		-	-
Net cash inflow/(outflow) from operating activities		166 201 428	(29 050 902)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(34 846 457)	(3 395 357)
Purchase of intangible assets		(15 698 237)	(8 357 011)
Proceeds on disposal of property, plant and equipment		543 428	142 658
Net cash outflow from investing activities		(50 001 267)	(11 609 710)
Net increase/(decrease) in cash and cash equivalents		116 200 161	(40 660 612)
Cash and cash equivalents at beginning of period		174 355 160	215 015 772
Cash and cash equivalents at end of year	5	290 555 321	174 355 160



ACCOUNTING POLICIES for the year ended 31 March 2008

The following are the principle accounting policies adopted which are, in all material respects, consistent with those applied in the previous year, except where otherwise indicated.

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Standard of GRAP	Replaced Statement of GAAP
GRAP 1: Presentation for financial statements	AC101: Presentation of financial statements
GRAP 2: Cash flow statements	AC118: Cash flow statements
GRAP 3: Accounting policies, changes in accounting estimates and errors	AC103: Accounting policies, changes in accounting estimates and errors

Currently the recognition and measurement principles in the above GRAP and GAAP Statements do not differ or result in material differences in items presented and disclosed in the financial statements. The implementation of GRAP 1, 2 and 3 has resulted in the following terminology changes in the presentation of the financial statements:

a) Terminology differences

Standard of GRAP	Replaced Statement of GAAP
Statement of financial performance	Income statement
Statement of financial position	Balance sheet
Statement of changes in net assets	Statement of changes in equity
Net assets	Equity
Surplus/deficit	Profit/loss
Accumulated surplus	Retained earnings
Contributions from owners	Share capital
Distribution to owners	Dividends

b) The cash flow statement can only be prepared in accordance with the direct method.

c) Specific information has been presented separately on the statement of financial position, such as:

- Receivables from non-exchange transactions, including taxes and transfers;
- Taxes and transfers payable;
- Trade and other payables from non-exchange transactions;



ACCOUNTING POLICIES for the year ended 31 March 2008

d) The amount and nature of any restrictions on cash balances are required.

Paragraph 11 - 15 of GRAP 1 have not been implemented due to the fact that the budget reporting standard has been developed by the local standards setter and the international standard is not effective for this financial year. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect the objective of the financial statements.

Financial statements have been prepared on the historical cost basis except where stated otherwise. Functional and presentation currency is South African Rands.

2. REVENUE

Revenue is recognised when it is probable that future economic benefits will flow to the Commission and these benefits can be measured reliably.

Parliamentary and project related allocations are recognised as revenue when it is probable that the economic benefits associated with the allocation will flow to the Commission and the amount of allocation can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer. Interest income is accrued on a time proportionate basis using the effective interest rate implicit in the instrument. Sponsorship revenue is recognised in the year of receipt.

Donations received from which assets were acquired are accounted for as deferred income. Subsequently, deferred income is recognised as revenue in the statement of financial performance over the period necessary to match the income with the useful life of the related asset.

3. FOREIGN CURRENCIES

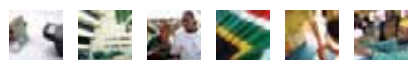
Transactions in foreign currencies (mainly the purchase of forex for overseas subsistence travel allowances) are accounted for at the rates of exchange ruling on the transaction. Gains and losses arising from the settlement of such transactions are recognised in the statement of financial performance as part of operating expenditure.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any cost incurred in bringing the asset to the location and condition necessary for it to operate as intended by management.

Property, plant and equipment are subsequently stated at cost, less accumulated depreciation and any accumulated impairment value. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to the statement of financial performance during the financial period in which they are incurred.

Depreciation commences when the assets are available for their intended use. The depreciation expense is recognised through the statement of financial performance. Property, plant and equipment are depreciated on a straight line basis over the expected useful lives of the various classes of assets, after taking into account residual values. Useful



ACCOUNTING POLICIES for the year ended 31 March 2008

Lives of property, plant and equipment, the depreciation method and residual values are reviewed on an annual basis. A change resulting from the review is treated as a change in accounting estimate.

The carrying amounts of assets are reviewed at each reporting date to assess if there are any indications of impairment. If any such indication exists and where assets are recorded in excess of their recoverable amounts, assets or cash-generating units are written down to their recoverable amounts.

Impairment loss is recognised in the statement of financial performance. The remaining useful lives of affected items of property, plant and equipment are reviewed and adjusted.

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 de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of financial performance in the year it is derecognised.

Artwork is not written off and is carried at cost. The expected useful lives reviewed on an annual basis for depreciation purposes, for the main categories of property, plant and equipment, are as follows:

Computer equipment	3 -10 years
Scanners	10 years
Office machines and equipment	10 years
Cell phones	3 years
Furniture and fittings	10 - 15 years
Motor vehicles	7 years
Appliances	10 years
Pre-fabricated buildings	10 years
Leasehold improvements	1 year

5. INTANGIBLE ASSETS

Internally generated intangible assets

Trademarks are internally generated and therefore cost incurred in respect of trademarks is charged to the statement of financial performance in the period in which they are incurred.

Other intangible assets

SAP accounting software is classified as other intangible assets. Other intangible assets are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any cost incurred in bringing the asset to the location and condition necessary for it to operate as intended by management. Intangible assets are amortised on a straight line basis over the expected useful life of eight years.

Intangible assets are subsequently stated at cost, less accumulated amortisation and any accumulated impairment value. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. Amortisation commences when the asset is available for use.

Maintenance fees are charged to the statement of financial performance during the financial period in which they are incurred.



ACCOUNTING POLICIES for the year ended 31 March 2008

The carrying amounts of intangible assets are reviewed at each reporting date. If the expected useful life of the asset is different from the previous estimate, the amortisation period shall be changed accordingly. Such changes shall be accounted for as changes in accounting estimates.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss on de-recognition of the asset is included in the statement of financial performance in the year it is derecognised.

Intangible assets are assessed for indicators of impairment at each reporting date. Intangible assets not yet available for use are also tested for impairment irrespective of whether there is any indication of impairment. Where there is an indication of impairment, the carrying amount of an intangible asset is reduced to the recoverable amount. Impairment loss is charged to the statement of financial performance. The remaining useful life of an intangible asset is reviewed and adjusted.

6. OPERATING LEASE

Office rentals are classified as operating leases if the lessor effectively retains all the risks and benefits. Operating lease payments are charged to the statement of financial performance on a straight line basis over the term of the relevant lease. The resulting difference arising from the straight line basis and contractual cash flows is recognised as an operating lease obligation or asset. The contingent rental income and expense is recognised when accrued or incurred.

7. INVENTORIES

Inventories are stated at the lower of cost or estimated net realisable value. Net realisable value represents the estimated selling price in the ordinary course of business less any costs of completion and costs to be incurred in marketing, selling and distribution.

Cost is determined on the following bases:

- Consumable stores are valued at weighted average.
- Promotional items, electoral supplies and electoral printing supplies are valued at cost using the first in, first out (FIFO) method.

8. FINANCIAL INSTRUMENTS

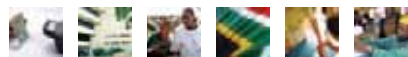
Recognition

Financial assets and financial liabilities are recognised on the statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

All “regular way” purchases and sales of financial assets are initially recognised using trade date accounting, i.e. the date that the Commission commits itself to purchase or sell the assets.

Measurement

Financial instruments are initially measured at fair value plus directly attributable transaction costs, except for financial assets or financial liabilities carried at fair value through profit or loss, which do not include directly attributable transaction costs. Subsequent to initial recognition these instruments are measured as set out below.



ACCOUNTING POLICIES for the year ended 31 March 2008

Financial assets

The Commission's principal financial assets are trade receivables, cash and cash equivalents and notice deposits.

- Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, default or delinquency in payments are considered indicators that the trade and other receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of financial performance within 'operating expenditure'.

- Cash and cash equivalents

Cash and cash equivalents consisting of cash on hand and cash in banks are measured at amortised costs.

Financial liabilities

The Commission's principle financial liabilities are trade payables.

All financial liabilities are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method.

- Trade and other payables

Trade and other payables are stated at amortised cost.

De-recognition

Financial assets

Financial assets are de-recognised when the contractual right to the cash flow from the asset expires, or when substantially all the risks and rewards of ownership of the financial assets are transferred to another party without retaining control or substantially all risks and rewards of the assets. Financial assets are also de-recognised when the Commission retains the rights to receive cash flows from the asset, but has assumed to pay them in full.

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to release the assets and settle liabilities on a net basis.

Financial liabilities

Financial liabilities are de-recognised when the obligation in the contract is discharged, cancelled or expires.

9. PROVISIONS

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.



CONTINGENT LIABILITIES

Contingent liabilities for contractual agreements and commitments are initially measured as at the statement of financial position date. Estimates of expenditure required to settle legal claims existing at the statement of financial position date are made. Contingent liabilities are assessed annually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.

EMPLOYEE BENEFIT

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash in current accounts and notice deposits held with banks.

DEFERRED INCOME

Deferred income is initially recognised at fair value and represents donor funds received from which assets were acquired. Deferred income is subsequently recognised as revenue in the statement of financial performance over the periods necessary to match the income with the useful life of the related asset.

4 FOREIGN AND LOCAL AID ASSISTANCE

Foreign and local aid assistance are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. The funds received for operational expenditure are not included as income nor are the payments made out of these funds treated as expenses as these amounts are only administered by the commission on behalf of the relevant parties of beneficiaries. The net amount is reported in the statement of financial position.

CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

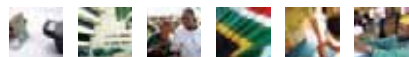
Estimates and judgements, where applicable, are continually evaluated and are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances.

A provision for irrecoverable debts is made for all trade accounts receivable submitted for collection to the legal department.

RELATED PARTIES

The entity operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the constitutional independence of all three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Key management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity.



ACCOUNTING POLICIES for the year ended 31 March 2008

CHANGE IN ACCOUNTING POLICY

Accounting policies are changed when required to do so by a Standard or an interpretation. They can also be changed if the change will result in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Commission's financial position, financial performance or cash flow.

When there is a change in an accounting policy, the change will be applied retrospectively except to the extent that it is impractical to determine either the period specific effects or the cumulative effect of the change.

Where it is practical to effect the change, opening balances are adjusted for each affected component of equity for the earliest prior period presented and other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied.

Where it is impractical to effect the change, the Commission applies the new accounting policy to the carrying amounts of the assets and liabilities as at the beginning of the period for which retrospective application is applicable.

COMPARATIVE FIGURES

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

NEW ACCOUNTING STANDARDS

Certain new accounting standards have been published that are mandatory for future accounting periods

RA	A B
A	
A 4	The effects of changes in Foreign Exchange Rates
A 5	Borrowing Costs
A 6	Consolidated and Separate Financial Statements
A 7	Investments in Associates
A 8	Investment in Joint Ventures
A 9	Revenue from Exchange Transactions
A 10	Financial Reporting in Hyperinflationary Economies
A 11	Construction Contracts
A 12	Inventories
A 13	Leases
A 14	Events After the Reporting Date
A 16	Investment Property
A 17	Property, Plant and Equipment
A 19	Provisions, Contingent Liabilities and Contingent Assets
A 100	Non-current Assets Held for Sale and Discontinued Operations
A 101	Agriculture
A 102	Intangible Assets

The Commission's financial statements are already in full compliance with the above-mentioned IAS standards.



ACCOUNTING POLICIES for the year ended 31 March 2008

Revised standards		Effective for year end beginning after
IAS1	Presentation of financial statements	01/01/2009
IAS23	Borrowing costs	01/01/2009
IAS27	Consolidated and separate financial statements	01/07/2009
IAS32	Financial Instruments: Presentation	01/01/2009
IFRS and IFRIC interpretations		Effective for year end beginning after
IFRIC 12	Service Concession Arrangements	01/01/2008
IFRIC 13	Customer loyalty programs	01/07/2008
IFRIC 14	The limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction	01/01/2008
IFRIC 2	Share-based Payment: Vesting conditions and Cancellations	01/01/2009
IFRIC 3	Business combinations	01/07/2009
IFRIC 8	Operating Segments	01/01/2009

20. IRREGULAR EXPENDITURE

Irregular expenditure is defined as expenditure incurred in contravention of or not in accordance with a requirement of any applicable legislation.

All irregular expenditure is charged in the statement on financial performance in a period in which they are incurred.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2008

1. PROPERTY, PLANT AND EQUIPMENT

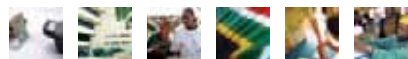
	Computer equipment	Scanners	Office machines and equipment	Cell phones	Furniture and fittings	Motor vehicles	Appliances	Artwork	Pre-fabricated buildings	Leasehold Improvements	TOTAL
	R	R	R	R	R	R	R	R	R	R	R
Year ended 31 March 2008											
Opening net book value	23 843 855	13 568 295	7 802 004	213	7 956 608	5 023 455	285 159	420 387	301 243	-	59 201 219
- additions during year	12 996 443	3 320	3 465 232	-	1 140 025	16 038 545	135 590	1 817	-	1 065 485	34 846 457
- disposals/write-off during year	(632 167)	(23 663)	(276 376)	(3)	(143 157)	(249 914)	(8 076)	(43 205)	(1 389)	-	(1 377 950)
- depreciation charge for the year	(5 947 132)	(8 583 943)	(1 783 044)	-	(963 976)	(912 087)	(61 901)	-	(65 389)	-	(18 317 472)
Closing net book value	30 260 999	4 964 009	9 207 816	210	7 989 500	19 899 999	350 772	378 999	234 465	1 065 485	74 352 254
At 31 March 2008											
Cost											
- opening cost	78 755 712	85 715 444	15 962 156	35 849	16 515 764	9 414 216	639 028	420 387	654 388	-	208 112 944
- additions during the year	12 996 443	3 320	3 465 232	-	1 140 025	16 038 545	135 590	1 817	-	1 065 485	34 846 457
- disposals/write-off during year	(3 279 926)	(106 129)	(763 235)	(3)	(355 087)	(824 286)	(26 672)	(43 205)	(3 094)	-	(5 401 637)
Accumulated depreciation	88 472 229	85 612 635	18 664 153	35 846	17 300 702	24 628 475	747 946	378 999	651 294	1 065 485	237 557 764
- opening balance	(54 911 857)	(72 147 149)	(8 160 152)	(35 636)	(8 559 156)	(4 390 761)	(353 869)	-	(353 145)	-	(148 911 725)
- disposals/write-off during year	2 647 759	82 466	486 860	-	211 930	574 372	18 596	-	1 704	-	4 023 687
- depreciation charge for the year	(5 947 132)	(8 583 943)	(1 783 043)	-	(963 976)	(912 087)	(61 901)	-	(65 389)	-	(18 317 472)
Net book value	30 260 999	4 964 009	9 207 816	210	7 989 500	19 899 999	350 772	378 999	234 465	1 065 485	74 352 254



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 2008

1. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Scanners	Office machines and equipment	Cell phones	Furniture and fittings	Motor vehicles	Appliances	Artwork	Pre- fabricated buildings	Leasehold Improve- ments	TOTAL
	R	R	R	R	R	R	R	R	R	R	R
Year ended 31 March 2007											
Opening net book value	32 055 236	21 916 469	8 274 386	212	8 495 622	6 045 278	281 548	363 720	366 627		77 799 098
- additions during year	809 102	198 749	1 471 435	1	508 378	290 045	60 980	56 667	-		3 395 357
- disposals/write-off during year	(86 694)	-	(243 407)	-	(4 578)	(42 480)	(124)	-	-		(377 283)
- depreciation charge for the year	(8 933 789)	(8 546 923)	(1 700 410)	-	(1 042 814)	(1 269 388)	(57 245)	-	(65 384)		(21 615 953)
Closing net book value	23 843 855	13 568 295	7 802 004	213	7 956 608	5 023 455	285 159	420 387	301 243		59 201 219
At 31 March 2007											
Cost											
- opening cost	78 469 591	85 516 695	15 077 085	35 848	16 027 325	9 356 733	581 156	363 720	654 388		206 082 541
- additions during the year	809 102	198 749	1 471 435	1	508 378	290 045	60 980	56 667	-		3 395 357
- disposals/write-off during year	(522 981)	-	(586 364)	-	(19 939)	(232 562)	(3 108)	-	-		(1 364 954)
Accumulated depreciation	78 755 712	85 715 444	15 962 156	35 849	16 515 764	9 414 216	639 028	420 387	654 388		208 112 944
- opening balance	(46 414 355)	(63 600 226)	(6 802 699)	(35 636)	(7 531 703)	(3 311 455)	(299 608)	-	(287 761)		(128 283 443)
- disposals/write-off during year	436 287	-	342 957	-	15 361	190 082	2 984	-	-		987 671
- depreciation charge for the year	(8 933 789)	(8 546 923)	(1 700 410)	-	(1 042 814)	(1 269 388)	(57 245)	-	(65 384)		(21 615 953)
	(54 911 857)	(72 147 149)	(8 160 152)	(35 636)	(8 559 156)	(4 390 761)	(353 869)	-	(353 145)		(148 911 725)
Net book value	23 843 855	13 568 295	7 802 004	213	7 956 608	5 023 455	285 159	420 387	301 243		59 201 219



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
2. INTANGIBLE ASSETS		
Opening carrying value	8 357 011	-
- additions during year	15 698 237	8 357 011
- disposals/write-off during year	-	-
- amortisation charge for the year	-	-
Closing net book value	<u>24 055 248</u>	<u>8 357 011</u>
At 31 March 2007		
Cost	8 357 011	-
- opening cost	15 698 237	8 357 011
- additions during the year	-	-
- disposal/write-off during the year	-	-
	<u>24 055 248</u>	<u>8 357 011</u>
Accumulated amortisation	-	-
- opening cost	-	-
- disposal/write-off during the year	-	-
- charge current year	-	-
	<u>-</u>	<u>-</u>
Net book value	<u>24 055 248</u>	<u>8 357 011</u>

The acquisition cost incurred in 2007 (8 357 011) and development costs incurred in 2008 (15 698 237) of SAP integrated system is referred to as intangible assets.



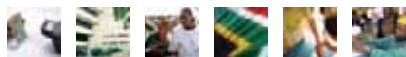
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
3. INVENTORIES		
Consumable stores	472 984	593 087
Electoral Stock	497 885	-
Promotional items	363 150	254 895
	<u>1 334 019</u>	<u>847 982</u>
4. TRADE AND OTHER RECEIVABLES		
Trade accounts receivable	50 016	39 832
Deposits	593 545	564 147
Accrued interest	894 424	504 158
Sundry	3 216 104	3 262 481
United Nations Development Programme	-	8 146 500
Department of Foreign Affairs	4 356 101	4 408 895
Less: Provision for irrecoverable debts	<u>(842 048)</u>	<u>(226 690)</u>
	<u>8 268 142</u>	<u>16 699 323</u>

The provision for irrecoverable debts has been determined by reference to past default experience and the current economic environment.

The executive considers that the carrying amount of trade and other receivables approximates to their fair value.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with a registered bank institution with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.		
Bank balances - current accounts	34 500 842	15 051 605
Notice deposits	256 051 017	158 869 002
Petty cash	3 462	19 700
Traveller's cheques on hand	-	414 853
	<u>290 555 321</u>	<u>174 355 160</u>

The notice deposits are carried at an effective floating interest rate that varied between 8,54% and 10,68% (2007: 6,6% and 8,85%).

Included in the above balances are deposits held in trust to the value of R9 405 986 (2007: R11 615 163).

6. DEFERRED INCOME

Deferred income represents donor funding received and is deferred over the useful life of the related asset.

Deferred income	650 200	1 310 531
Vehicle disposal	(47 263)	-
	<u>602 937</u>	<u>1 310 531</u>
Less: Current portion	(601 694)	(660 331)
	<u>1 243</u>	<u>650 200</u>

7. OPERATING LEASE SMOOTHING

Straight lining of operating lease	652 271	1 620 171
Less: Current portion	(107 980)	(716 000)
	<u>544 291</u>	<u>904 171</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
8. TRADE AND OTHER PAYABLES		
Trade accounts payable	37 463 946	40 560 603
Deposits	350 550	272 050
Sundry	2 065 945	3 713 515
Cheques not presented for payment	18 585 756	1 702 714
	<u>58 466 197</u>	<u>46 248 882</u>

The executive considers the carrying amount of trade and other payables approximates to their fair value.

9. PROVISIONS	Audit fee	Workman's Compensation	Total
At 31 March 2007	2 634 792	290 726	2 925 518
Additional provisions	1 799 451	331 370	2 130 821
Unused amounts reversed	-	-	-
Utilised during the year	(2 041 362)	(290 726)	(2 332 088)
Less: Current portion of provisions	(2 392 880)	(331 370)	(2 724 250)
At 31 March 2008	<u>-</u>	<u>-</u>	<u>-</u>
	Audit fee	Workman's Compensation	Total
At 31 March 2006	2 711 102	170 916	2 882 018
Additional provisions	2 477 460	290 726	2 768 186
Unused amounts reversed	-	-	-
Utilised during the year	(2 553 770)	(170 916)	(2 724 686)
Less: Current portion of provisions	(2 634 792)	(290 726)	(2 925 518)
At 31 March 2007	<u>-</u>	<u>-</u>	<u>-</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

Audit fee

A provision has been recognised at the year-end to cover the expected external audit costs for the year. It is estimated that the majority of the provision will realise in the following financial year.

Workman's Compensation

A provision is made for the estimated liability for workman's compensation in respect of employees who are injured on duty.

	2008 R	2007 R
10. FOREIGN AND LOCAL AID ASSISTANCE		
- Department of Foreign Affairs	9 363 121	10 670 727
- Government of Ireland	41 987	683 672
- Limpopo Provincial Government - Department of Local Government and Housing	878	51 263
- Western Cape Department of Local Government	-	209 501
	<u>9 405 986</u>	<u>11 615 163</u>

The above balance represents the unexpended portion of funds/pledges of funds received from the various donors which the Commission is still to utilise in accordance with contractual arrangements.

Royal Netherlands Embassy

The donor had a balance of R255 966 in the 2007 financial year. Interest to the value of R69 134 and expenses to the value of R325 100 were incorrectly allocated to the Electoral Commission. These have now been allocated to the donor. These adjustments cleared the balance reported in the 2007 financial year.

Department of Foreign Affairs

The Commission received a mandate to assist in the DRC elections. In order to do this, the Department of Foreign Affairs provided us with funds.

All expenses incurred for the DRC project in terms of the mandate were charged against these funds. In addition, all expenses incurred for assistance in foreign countries as authorised by the Department of Foreign Affairs are charged against these funds.

In terms of the agreement with the Department of Foreign Affairs, the Commission will utilise the remaining balance as authorised by the Department of Foreign Affairs. A refund will be made on request from the Department of Foreign Affairs.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

Government of Ireland

In the 2007 financial year, the Government of the Republic of Ireland, made a donation of R 2 250 000 to be utilised towards voter education which was to be implemented in partnership with civil society organisations and was to focus particularly on the provinces of Kwazulu Natal, Eastern Cape and Limpopo and was to target women, youth, the illiterate and first time voters. The amount was utilised in terms of the agreement. At the end of the project we had a balance of R683 672.

In the 2008 financial year a new agreement was entered into, the balance remaining in 2007 financial year was to be utilised for democracy development in the Eastern Cape Province. The amount was utilised in terms of the agreement. The remaining balance will be utilised in terms of the agreement in the 2009 financial year.

Limpopo Local Government

In the 2006 financial year, the Limpopo Provincial Government, made a donation of R2 m to be utilised towards voter education. The amount was utilised in terms of the agreement for all the financial years up to and including 2008 financial year. The remaining balance will be utilised in terms of the agreement in 2009 financial year.

	2008 R	2007 R
11. REVENUE		
Operating surplus is arrived at after taking the following into account:		
Revenue from:	513 173 341	492 525 459
- Parliamentary allocation	485 250 000	350 000 000
- Government allocation (foreign assistance)	1 307 607	127 432 061
- Political party registration fees	7 700	4 700
Interest received	26 608 034	15 088 698
Income	1 232 203	2 881 468
- Other income	932 203	2 881 468
- Sponsorship income	300 000	-
Revenue and income	514 405 544	495 406 927



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
12. Operating surplus is arrived at after taking the following into account:		
Auditors remuneration:		
- Audit fees	<u>3 633 902</u>	<u>3 246 980</u>
Foreign exchange loss	<u>5 800</u>	<u>9 893</u>
Depreciation:		
- Computer equipment	5 947 132	8 933 789
- Scanners	8 583 943	8 546 923
- Office machines and equipment	1 783 044	1 700 410
- Cell phones	-	-
- Furniture and fittings	963 976	1 042 814
- Motor vehicles	912 087	1 269 388
- Appliances	61 901	57 245
- Artwork	-	-
- Pre-fabricated buildings	65 389	65 384
	<u>18 317 472</u>	<u>21 615 953</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
12. Operating surplus is arrived at after taking the following into account: (continued)		
Net surplus on disposal/scraping of property, plant and equipment:		
- Equipment	226 437	231 564
- Vehicles	(149 564)	(67 519)
- Cell phones	(497)	1
- Computer Equipment	600 148	69 520
- Furniture	108 332	1 772
- Artwork	43 205	(27)
- Scanners	(2 952)	(376)
- Appliances	8 024	(311)
- Pre-fabricated buildings	1 389	-
	<u>834 522</u>	<u>234 624</u>
Rentals paid in respect of operating leases:		
- Land and buildings	16 870 347	16 020 975
- Equipment	183 516	525 621
	<u>17 053 863</u>	<u>16 546 596</u>
Fees for services:		
- Private institutions	70 070 884	61 520 737
- Government institutions	16 827	9 929
- Other	8 373 979	7 066 443
- Computer services - wide area network	29 400 330	30 111 328
- Contracted DRC	227 800	8 145 445
	<u>108 089 820</u>	<u>106 853 882</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
12. Operating surplus is arrived at after taking the following into account: (continued)		
Staff costs:		
- Wages and salaries	149 830 225	133 101 398
- Remuneration allowances	175 252	267 881
- Gratuities	3 423 425	1 553 129
- Employer contributions	5 512 530	4 520 438
- Relocation costs	23 032	5 017
	<u>158 964 464</u>	<u>139 447 863</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
13. NOTES TO THE CASH FLOW STATEMENT		
13.1 Reconciliation of surplus for the year to cash generated/(utilised by) from operating activities		
Surplus for the year	134 277 852	37 451 880
Adjustments for:		
- Depreciation	18 317 472	21 615 953
- Deficit on disposal/scraping of assets	834 522	234 624
- Interest received	(26 608 034)	(15 088 698)
	<u>126 821 812</u>	<u>44 213 759</u>
Operating surplus before working capital changes		
Working capital changes:	12 771 581	(88 353 359)
- (Increase)/decrease in inventories	(486 037)	61 062
- Decrease/(increase) in receivables and prepayments	4 518 222	(7 071 172)
- Increase/(decrease) in trade and other payables and provisions	10 948 573	(78 756 306)
- Decrease in foreign and local aid assistance	(2 209 177)	(2 586 943)
	<u>139 593 393</u>	<u>(44 139 600)</u>
Cash generated from/(utilised by) operations	139 593 393	(44 139 600)



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	2008 R	2007 R
14. TAXATION		
No provision is made for income taxation, as the Commission is exempt from taxation in terms of legislation.		
15. CONTINGENCIES AND COMMITMENTS		
15.1 Operating commitments		
Payable within the next year:		
- Contractual commitments	161 637 668	28 472 514
- Office rental agreements	9 365 057	11 866 791
- Equipment lease and maintenance	-	301 366
Payable later than 1 year and not later than 5 years:		
- Contractual commitments	44 044 404	-
- Office rental agreements	11 668 557	8 820 968
Later than 5 years:		372 193
Total future cash flows	<u>226 715 686</u>	<u>49 833 832</u>
Straight lining already accrued in statement of financial position	(652 271)	(1 620 171)
Future expenses	<u><u>226 063 415</u></u>	<u><u>48 213 661</u></u>
15.2 Contingencies not provided for:		
Legal claims	<u><u>3 042 896</u></u>	<u><u>3 074 954</u></u>
16. RETIREMENT FUNDING		
No retirement plans are operated by the Electoral Commission. Employees are however given the option to join a recognised Provident Fund for which contributions are funded from their own remuneration.		



NOTE TO THE ANNUAL FINANCIAL STATEMENT

for the year ended 31 March 2008

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Commission's activities have a limited exposure to financial risk, liquidity risk and cash flow risk. Risk management is carried out by the Executive Committee under policies approved by the Commission. The Commission provides written principles for overall risk management, as well as written policies covering specific areas, such as investing excess liquidity.

a Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Due to the dynamic nature of the underlying operations, the Commission aims to maintain sufficient funding through a robust medium term MTEF budgeting process.

The following are the contractual maturities of financial liabilities

	C	C	F	L
T	58 466 197	226 715 686	171 002 725	55 712 96
T	46 248 882	49 833 832	40 640 671	8 820 968
				372 193

b Cash flow

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

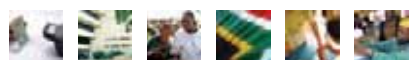
	C	R	R
parliamentary allocation		485 250 000	350 000 000

c Credit risk

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

With respect to credit risk arising from cash and cash equivalents, cash is placed with quality financial institutions.

The carrying amounts of the financial assets represent the maximum credit exposure. The maximum exposure at the reporting date was



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

	Note	Carrying amounts	
		2008 R	2007 R
Trade and other receivables	4	8 268 141	16 699 323
Cash and cash equivalents	5	290 555 321	174 355 160
		<u>298 823 462</u>	<u>191 054 483</u>

The maximum exposure to credit risk for trade receivables at the reporting date by major customer cluster was:

	Carrying amounts	
	2008 R	2007 R
Trade and other receivables	50 016	39 832
Deposits	593 545	564 147
Sundry debtors	3 268 479	3 539 949
United Nations Development programme	-	8 146 500
Department of Foreign Affairs	4 356 101	4 408 895
	<u>8 268 141</u>	<u>16 699 323</u>

d) Impairment losses

The aging of trade receivables net of the provision for doubtful debts at the reporting date was:

	2008 R	2007 R
Not past due	6 509 721	4 973 042
Past due 0 - 30 days	1 737 502	10 127 730
Past due 31 - 120 days	14 911	5 250
Past due 121 - 365 days	4 880	1 127
Past due - more than a year	1 128	1 592 174
	<u>8 268 142</u>	<u>16 699 323</u>

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

An amount of R842 047 has been provided for as doubtful and is included in the amounts disclosed above. This provision relates to identified invoices older than 365 days that were not committed for payment.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

Analysis for doubtful debts is as follows:

	Carrying amounts	
	2008	2007
	R	R
Opening balance	226 691	244 626
Written to income statement		(17 935)
Increase in provisions	615 357	-
Closing balance	<u>842 048</u>	<u>226 691</u>

d) Fair Value Risk

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

	Carrying amounts	
	2008	2007
	R	R
Trade and other receivables	8 268 142	16 699 323
Cash and cash equivalents	290 555 321	174 355 160
Trade and other payables	58 466 197	46 248 882
	<u>357 289 660</u>	<u>237 303 365</u>

e) Interest rate risk

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

	Carrying amounts	
	2008	2007
	R	R
Cash and cash equivalents	<u>290 555 321</u>	<u>174 355 160</u>

18. RELATED PARTY TRANSACTIONS

18.1 Key management compensation

	6 379 335	5 500 121
1. Commissioners	3 385 687	2 880 957
- Salaries	2 398 910	1 951 609
- Short term employee benefits	986 777	929 348
2. Senior management salaries	2 993 648	2 619 164

18.2 Represented Political Party Funding

	<u>548 340</u>	<u>408 821</u>
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

19. IRREGULAR EXPENDITURE	2008 R	2007 R
Reconciliation of irregular expenditure		
Opening balance	73 708 198	59 975 817
Irregular expenditure - current year	16 214 027	13 732 381
Irregular expenditure condoned	-	-
Transfer to receivable for recovery	-	-
Irregular expenditure awaiting condonement	(89 922 225)	-
	<u>-</u>	<u>73 708 198</u>

Analysis of current irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings
<p>1. Payments were made by cheques in excess of R2 000 due to non-availability of bank details of suppliers, Electronic Fund Transfers are now taking place for these suppliers.</p> <p>Replenishment of Petty Cash always exceeds R2 000 and the National Treasury has been approached for an exemption.</p>	<p>1. No action has been taken against any official as there was no financial misconduct. It is only a matter of non-compliance with Treasury Regulation 15.12.3. Treasury will be approached for a condonation.</p>
<p>2. Acquisition and development costs incurred for the SAP integrated system.</p>	<p>2. No action has been taken against any official as there was no financial misconduct, it is only a matter of non compliance with Treasury regulation 17.3.1. Treasury has been approached for approval. A response is awaited.</p>

Comments

Electoral Commission has reduced cheque payments from R5 375 371 paid in 2007 financial year to R515 790 in 2008 financial year, The process of phasing out cheque payments started in 2003 financial year. However, the 2004 and 2006 financial years were election periods, although cheques issued exceeding R2 000 were decreasing, they increased in these financial year as we employ people from all spheres, some of which do not have bank accounts. Although in the 2009 financial year we are preparing for elections, we will work towards reducing this figure by obtaining treasury approval from August 2008.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

20. PRIOR YEAR ERRORS

Accrual basis of accounting

In terms of the framework for the preparation and presentation of financial statements, financial statements are prepared on the accrual basis of accounting. Under this basis, the effects of the transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid). Some expenses for 2007 financial year were erroneously accounted for in the 2008 financial year when payments were made.

Foreign and local aid assistance

The funds received for operational expenditure are not included as income nor are the payments made out of these funds treated as expenses as these amounts are only administered by the commission on behalf of the relevant parties of beneficiaries. The net amount is reported in the statement of financial position.

Expenses and interest accruing to foreign and local aid assistance funds were erroneously included in Commissions interest and expenses respectively.

Straight lining of operating lease payments

In terms of IAS 17 (AC 105), operating lease expenses are recognised on a straight line basis over the lease term and not as cash is paid. This amount was understated in the 2007 financial year.

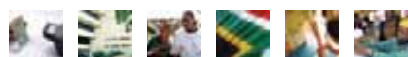
The above adjustments have the following effect on the financial statement

Effect on 2007

	2007 R
Decrease in interest	166 359
Decrease in personnel expenses	207 986
Decrease in administrative expenses	4 165
Decrease in Printing	325 100
Increase in Rental-Land and Buildings	270 550
Increase in Professional and other services	952 920

21. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current financial year. Leave pay provision is reflected as Trade and other payables, previously, this provision was reflected in Current portion of provisions. Provisions for workman's compensation is reflected in Current portion of provisions, previously it was reflected as trade and other payables.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2008

The above adjustment, when applied retrospectively, has the following effect on financial statements:

	2008 R	2007 R
Decrease in current portion of provisions	11 110 635	7 796 339
Increase in trade and other payables	11 110 635	7 796 339

The change for leave pay provision was effected to comply with the requirements of IAS 19.10.
Provision for workman's compensation was changed to comply with the requirements of IAS 37.

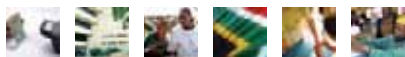


DETAILED INCOME AND EXPENDITURE STATEMENT

for the year ended 31 March 2008

APPENDIX A

	2008 R	2007 R
INCOME		
Parliamentary allocation	485 250 000	350 000 000
Government allocation foreign assistance	1 307 607	127 432 061
Political party registration fees	7 700	4 700
Interest received	26 608 034	15 088 698
Sponsorship income	300 000	-
Other	932 203	2 881 468
Total income	514 405 544	495 406 927
EXPENDITURE		
Personnel expenditure	158 964 464	139 447 863
Salaries	149 830 225	133 101 398
- Permanent Staff	75 154 645	70 754 830
- Temporary staff	6 600 305	6 953 151
- Voter education fieldworkers	-	88 273
- Logistical and other support staff	300	(109 858)
- By-elections	593 157	516 329
- Targeted registration	-	(78 160)
- Expansion staff	6 006 848	6 536 567
- MEO Agents	68 075 275	55 393 417
Remunerative allowances	175 252	267 881
- Permanent staff	175 252	267 881
- Temporary staff	-	-
Gratuities	3 719 680	1 553 129
- Permanent staff	410 237	1 152 495
- MEO agents	3 309 443	400 634
Employer's contributions	5 216 275	4 520 438
Deployment costs	-	-
Relocation costs	23 032	5 017



DETAILED INCOME AND EXPENDITURE STATEMENT (continued)

for the year ended 31 March 2008

APPENDIX A

	2008 R	2007 R
EXPENDITURE		
Administrative expenditure	57 137 734	92 197 681
Subsistence expenditure	4 378 359	2 931 966
- Registration staff	-	(340 800)
- Election staff	-	(418 075)
- Other	4 378 359	3 690 841
Transport expenditure	11 753 257	9 435 361
- Democracy development and voter education	896 237	762 460
- MEO development and training	6 697 646	6 530 157
- Other	3 808 138	907 655
- Registration and election training	-	19 774
- Logistics	351 236	1 215 315
Air Transport	4 095 201	5 093 113
Communication expenditure	8 933 735	9 750 319
Study expenditure	91 123	161 236
Regional council levy	-	150 495
Advertisements	5 473 687	946 602
Catering expenditure - workshops, training and other	1 704 539	1 151 801
- Democracy development and voter education	725 865	506 582
- MEO development and training	74 563	587 062
- Other	866 332	29 530
- Registration and election training	37 779	28 627
Membership & Registration	1 809 584	1 445 897
Insurance	362 289	549 232
Conferences and workshops	17 459 112	9 959 195
- Democracy development and training	8 371 199	6 778 915
- PEO/MEO development and training	3 569 021	2 674 351
- Registration and election training	1 391 374	67 715
- Delimitation	281 349	400 830
- Other	3 846 169	37 384
Relocation costs	-	3 081
Administrative expenses foreign assistance	1 076 848	50 619 383



DETAILED INCOME AND EXPENDITURE STATEMENT (continued)

for the year ended 31 March 2008

APPENDIX A

	2008 R	2007 R
EXPENDITURE		
Printing	7 508 120	71 793 271
Printing and other suppliers (foreign assistance)	2 959	68 667 301
Printing, stationery and other supplies	7 505 161	3 125 970
Purchase of equipment and software	7 914 643	6 014 668
Software license fees	7 431 586	3 866 575
Electoral equipment	-	-
Data sets	-	541 040
Other	483 057	1 607 053
Rented equipment	183 516	525 621
Rental - Land and buildings	16 870 347	16 020 975
IEC offices and warehouses	16 692 204	13 806 187
MEO offices	-	2 029 620
By-elections	178 143	185 168
Professional & other services	111 723 722	110 100 862
Government Institutions	16 827	9 929
Computer services - wide area network	29 400 330	30 111 328
Maintenance and repairs	5 948 094	4 328 399
Private Institutions	70 070 884	61 520 737
Legal costs	2 044 496	2 038 161
Audit costs	3 633 902	3 246 980
Bank charges	375 589	689 990
Foreign exchange loss	5 800	9 893
Contracted in (foreign assistance)	227 800	8 145 445
Miscellaneous expenditure	673 153	3 530
Depreciation	18 317 472	21 615 953
Deficit on disposal/scraping of assets	834 522	234 624
Total expenditure	380 127 692	457 955 047
Surplus for the year	134 277 852	37 451 880



DEPARTMENTAL EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

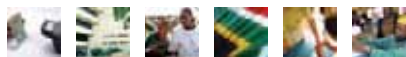
APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
NATIONAL OFFICE								
ADMINISTRATION								
Electoral Commission	12 447 576	4 846 587	4 176 559	489 784	-	-	2 934 398	248
Commission services	7 004 690	4 829 892	1 114 136	27 170	-	-	1 030 492	-
Special Projects	4 479 789	13 695	2 145 300	416 640	-	-	1 903 906	248
International liaison and fund raising	963 097	-	917 123	45 974	-	-	-	-
Management	13 004 434	6 324 144	832 309	48 641	-	-	5 799 090	250
Office of the CEO	3 182 555	2 617 162	531 373	18 020	-	-	16 000	-
Office of the deputy CEO	3 315 106	3 049 916	236 049	28 891	-	-	-	250
Performance and internal audit	6 506 773	657 066	64 887	1 730	-	-	5 783 090	-
Financial management	19 566 755	9 605 572	1 771 020	230 500	196 044	-	7 150 964	672 655
Budget, party funding and compliance verification	4 134 990	6 698	478 517	15 873	-	-	3 633 902	-
Financial administration	10 650 310	6 723 880	79 128	149 732	196 044	-	2 828 671	672 655
Procurement and asset management	4 781 455	2 874 994	1 153 375	64 895	-	-	688 191	-
Human resources & corporate services	43 267 033	12 741 986	10 616 657	2 381 818	503 808	4 107 730	12 915 034	-
Communication services	4 129 760	706 775	533 732	1 398 737	-	-	1 490 516	-
Human resources	18 074 433	7 865 011	8 313 979	270 227	-	-	1 625 216	-
Support services	21 062 840	4 170 200	1 768 946	712 854	503 808	4 107 730	9 799 302	-
Total for national office: Administration	88 285 798	33 518 289	17 336 545	3 150 473	699 852	4 107 730	28 799 486	673 153
NATIONAL OFFICE OPERATIONS								
Logistics and MEO development	104 050 686	78 743 406	15 980 858	702 559	191 279	6 960 691	1 485 052	(13 159)
Logistics	9 712 869	3 968 264	636 811	167 046	191 279	3 885 959	868 143	(4 633)
Establishment of MEO offices	93 759 304	74 772 832	14 788 915	517 202	-	3 075 358	613 523	(8 526)
Voting station infrastructure	578 513	2 310	555 132	18 311	-	(626)	3 386	-
Information technology	89 039 098	5 256 944	960 595	669 249	7 064 818	-	75 087 492	-
Business systems	5 674 579	-	60 670	136 169	-	-	5 477 740	-
Information technology operations	83 364 519	5 256 944	899 925	533 080	7 064 818	-	69 609 752	-
Voting and electoral democracy development	25 318 552	3 227 453	14 465 343	2 164 742	-	181 893	5 286 696	(7 575)
By-elections	1 645 511	986 902	453 642	21 813	-	182 143	6 327	(5 316)
Electoral democracy development and education	13 036 656	23 837	10 092 536	1 680 629	-	-	1 241 831	(2 177)
DRC Elections	1 307 607	-	1 076 848	2 959	-	-	227 800	-
Legal services	2 455 794	-	90 802	321 345	-	-	2 043 647	-
Political party liaison	2 860 047	-	972 250	90 881	-	-	1 796 998	(82)
Voting and results	4 012 937	2 216 714	1 779 265	47 115	-	(250)	(29 907)	-
Voters' roll and delimitation	5 240 388	4 168 535	774 765	262 261	-	-	16 827	-
Delimitation	2 936 655	2 306 814	605 332	24 509	-	-	-	-
Voters' roll and registration	2 303 733	1 879 721	169 433	237 752	-	-	16 827	-
Total for national office: Operations	223 648 724	91 414 338	32 181 561	3 798 811	7 256 097	7 142 584	81 876 067	(20 734)



DEPARTMENTAL EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2008 (continued) APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
REGIONAL OFFICES								
Eastern Cape	7 643 834	5 138 088	1 379 786	81 674	86 730	675 246	282 310	-
Free State	4 656 276	2 946 721	674 406	75 397	-	884 793	71 071	3 888
Gauteng	4 867 545	1 133 114	482 898	59 564	5 406	1 086 626	99 937	-
KwaZulu-Natal	6 308 665	5 264 280	895 341	83 244	-	(6 109)	71 616	293
Limpopo	5 574 357	4 024 334	812 530	110 441	-	551 156	73 743	2 153
Mpumalanga	4 316 211	2 860 004	775 674	35 985	-	569 838	74 710	-
Northern Cape	5 326 091	3 818 908	696 168	62 390	19 437	690 800	38 388	-
North West Province	5 062 069	3 185 036	1 111 427	56 600	-	442 593	252 012	14 401
Western Cape	5 286 128	3 661 356	791 390	(6 728)	30 637	725 090	84 383	-
Total for regional offices:	49 041 176	34 031 841	7 619 620	558 567	142 210	5 620 033	1 048 170	20 735
Departmental expenditure	360 975 698	158 964 468	57 137 726	7 508 121	8 098 159	16 870 347	111 723 723	673 154
Depreciation	18 317 472							
Profit / (Loss) on disposal/scrapping of assets	834 521							
Interest paid	-							
Total expenditure	380 127 691							
Total income	514 405 543							
Surplus for the year	134 227 852							
Unutilised surplus at 31 March 2007	196 710 673							
Unutilised surplus at 31 March 2008	330 988 525							



DEPARTMENTAL EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

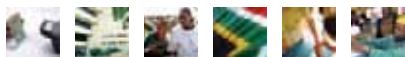
APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
NATIONAL OFFICE ADMINISTRATION								
Electoral Commission	16 074 636	4 176 970	6 746 566	34 819	-	-	5 115 533	748
Commission services	5 215 104	4 120 745	818 213	34 819	-	-	240 684	643
International liaison and fund raising	10 859 532	56 225	5 928 353	-	-	-	4 874 849	105
Management	11 788 591	5 364 349	610 467	27 426	-	-	5 784 484	1 865
Office of the CEO	3 060 118	2 387 731	430 757	13 725	-	-	227 905	-
Office of the deputy CEO	2 560 704	2 369 400	175 738	13 701	-	-	-	1 865
Performance and internal audit	6 167 769	607 218	3 972	-	-	-	5 556 579	-
Financial management	22 011 916	10 070 355	1 634 281	202 083	132 885	-	9 972 195	117
Budget, party funding and compliance verification	3 400 973	7 982	130 320	15 691	-	-	3 246 980	-
Financial administration	11 511 975	7 043 552	97 023	129 449	132 885	-	4 108 949	117
Procurement and asset management	7 098 968	3 018 821	1 406 938	56 943	-	-	2 616 266	-
Human resources & corporate services	30 254 266	11 611 500	4 091 248	819 102	441 947	4 583 829	8 706 640	-
Communication services	2 346 825	326 075	122 119	274 367	-	-	1 624 264	-
Human resources	9 864 534	7 239 438	1 943 768	32 004	-	-	649 324	-
Support services	18 042 907	4 045 987	2 025 361	512 731	441 947	4 583 829	6 433 052	-
Total for national office: Administration	80 129 409	31 223 174	13 082 562	1 083 430	574 832	4 583 829	29 578 852	2 730
NATIONAL OFFICE OPERATIONS								
Logistics and MEO development	85 511 603	62 957 939	14 176 630	503 288	54 228	5 616 143	2 203 375	-
Logistics	10 717 420	4 039 784	1 693 922	79 333	36 928	3 634 677	1 232 776	-
Establishment of MEO offices	75 960 239	58 909 700	12 481 936	450 152	17 218	3 228 172	873 061	-
Voting station infrastructure	(1 166 056)	8 455	772	(26 197)	82	(1 246 706)	97 538	-
Information technology	76 885 559	4 862 664	165 691	166 500	5 757 294	-	65 933 410	-
Business systems	5 387 849	-	42 906	69 829	541 040	-	4 734 074	-
Information technology operations	71 497 710	4 862 664	122 785	96 671	5 216 254	-	61 199 336	-
Voting and electoral democracy development	143 546 689	4 442 836	58 062 711	69 502 640	116 708	185 100	11 235 894	800
By-elections	1 345 564	745 114	365 547	33 243	-	183 276	18 384	-
Electoral democracy development and education	8 221 865	136 934	6 403 994	687 318	-	-	992 819	800
DRC Elections	127 432 061	-	50 619 380	68 667 236	-	-	8 145 445	-
Legal services	2 165 271	-	89 145	37 965	-	-	2 038 161	-
Political party liaison	345 156	7 167	308 892	25 574	-	-	3 523	-
Voting and results	4 036 772	3 553 621	275 753	51 304	116 708	1 824	37 562	-
Voters' roll and delimitation	6 576 242	5 482 629	801 268	44 697	-	-	247 648	-
Delimitation	2 305 524	2 202 980	96 358	6 186	-	-	-	-
Voters' roll and registration	4 270 718	3 279 649	704 910	38 511	-	-	247 648	-
Total for national office: Operations	312 520 093	77 746 068	73 206 300	70 217 125	5 928 230	5 801 243	79 620 327	800



DEPARTMENTAL EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2007 (continued) APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
REGIONAL OFFICES								
Eastern Cape	5 927 601	4 268 760	1 144 656	50 382	-	372 250	91 553	-
Free State	4 242 880	2 864 594	456 969	36 310	-	825 589	59 418	-
Gauteng	4 848 829	3 287 436	467 366	49 321	-	971 734	72 972	-
KwaZulu-Natal	5 740 250	4 092 707	761 146	79 659	-	675 769	130 969	-
Limpopo	3 929 446	2 689 219	539 647	13 125	-	624 200	63 255	-
Mpumalanga	4 658 651	3 369 543	484 531	42 583	5 301	590 006	166 687	-
Northern Cape	4 522 830	3 295 899	619 646	50 335	-	508 766	48 164	-
North West Province	4 661 547	3 082 782	932 910	105 797	1 008	360 677	178 373	-
Western Cape	4 922 934	3 527 681	501 948	65 184	30 917	706 912	90 292	-
Total for regional offices:	43 454 968	30 478 621	5 908 819	492 716	37 226	5 635 903	901 683	-
Departmental expenditure	436 104 470	139 447 863	92 197 681	71 793 271	6 540 288	16 020 975	110 100 862	3 530
Depreciation	21 615 953							
Profit / (Loss) on disposal/scrapping of assets	234 624							
Interest paid	-							
Total expenditure	457 955 047							
Total income	497 406 927							
Surplus for the year	37 451 880							
Unutilised surplus at 31 March 2007	159 258 793							
Unutilised surplus at 31 March 2008	196 710 673							





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