

# Annual Report 2010



SOUTH AFRICA

Electoral Commission of South Africa

# **ELECTORAL COMMISSION OF SOUTH AFRICA**



**SOUTH AFRICA**

ANNUAL REPORT TO THE NATIONAL ASSEMBLY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

*The Honourable MV Sisulu  
Speaker of the National Assembly*

Section 14(1) of the Electoral Commission Act, 1996 (Act 51 of 1996) requires the Commission to submit annually to the National Assembly an audited report of all money received from sources other than money appropriated by Parliament as well as the audited statements on income and expenditure and a report in regard to the functions, activities and affairs of the Commission. Section 40(1)(e) of the Public Finance Management Act, 1999 (Act 1 of 1999) requires the Chief Electoral Officer as accounting officer, to submit to Parliament the Commission's annual report and financial statements together with the Auditor-General's report on those statements. In compliance with these statutory requirements we hereby convey to you for formal submission to Parliament, the attached report and financial statements together with the Auditor-General's audit report for the financial year ended 31 March 2010.



**DR BH BAM**  
Chairperson

Date: 30 July 2010



**Advocate Pansy Tlakula**  
Chief Electoral Officer

Date: 30 July 2010



**SOUTH AFRICA**

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# SECTION 1



## Chairperson's Report

This reporting period of 2009/2010 was characterized by an economic recession that impacted heavily on South Africans with widespread loss of employment and generally unfavourable economic conditions. We also witnessed during this period a dramatic increase in service delivery protests and social upheavals in many communities throughout the country. All these factors did not discourage South Africans from participating in the National and Provincial Elections (NPE) held in April 2009. On the contrary, more than 3 million new voters were registered in the two voter registration weekends of November 2008 and February 2009, respectively. This remarkable increase resulted in a record 23.1 million voters on the voters' roll, of which a significant 76.6% turned out to vote in the elections.

It should be noted that this audit period for the Electoral Commission coincided with the delivery of the 2009 National and Provincial Elections, which were largely a huge administrative and logistical exercise. The Commission contracts-in literally thousands of personnel to play crucial roles in election management within very strict legislative timeframes. The Commission is pleased that it was able to deliver on its mandate, to meet its strategic goals and to maintain its governance and legal imperatives during this 2009/2010 financial year period.

Members of the Commission consist of:

Dr NB Bam, the Chairperson  
Ms NFT Mpumlwana, the Deputy Chairperson  
Mr SS van der Merwe, Member of the Commission  
Mr T Tselane, Member of the Commission  
Judge JQ Msimang, Member of the Commission

The Commissioners performed their governance and leadership responsibilities through formal monthly meetings of the Commission itself and by convening special meetings to deal with urgent Commission business whenever a need arose. In attendance at these meetings would be the Chief Electoral Officer and her three Deputies to present formal reports covering national, provincial and local activities of the Commission.

The Commission mainly works through the following four Committees that meet fortnightly:

- (a) Finance, Audit and Information Technology ( this is not the Audit Committee established in terms of Section 77 of the PFMA)
- (b) Human Resources and Corporate Services
- (c) Electoral Operations
- (d) Outreach

This year being an election year, the frequency of Commission and Committee meetings necessitated many more meetings than is usually the case in the Commission's annual calendar of events and programmes.

At least once a year the Commissioners convene a plenary meeting where members of the Commission dialogue with the organisation's entire management on matters related to the powers, duties and functions of the Commission. It is also through this forum that the Commission develops strategies through which to strengthen constitutional democracy and promote democratic electoral processes in the country.

The Commission maintains a strong liaison and regular interactions with various stakeholders like civil society organisations, faith-based organisations and traditional leaders. It is through open and transparent dialogue with such stakeholders that the Commission is able to successfully deliver on its mandate. In particular, the Commission acknowledges the invaluable inputs and co-operation of our political parties through the national, provincial and municipal Party Liaison Committees. Such co-operation largely serves as an appropriate mechanism through which matters pertaining to elections can be fully addressed before any electoral events are held.

The Commission has established a relationship with its Audit Committee in order to be informed regularly on the organisation's compliance and audit issues. Subsequent to the 2008/9 audit report and a meeting with the representatives of the Auditor-General's office, an agreement was reached with the Audit Committee that lines of communication between these structures should be kept open at all times. The Commission, as is best practice, did a formal assessment of the performance of the Audit Committee for the 2010 Financial Year.

One challenge that remains is the need to recruit, train and pay approximately 230 000 casual staff for each election, so that they may work for one day (Election Day) in each of our approximately 2000 voting stations. Amongst these will be electoral staff that are recruited and trained but who do not show up on registration or voting day, forcing project leaders on the ground to immediately substitute them with backup staff whilst ensuring that all paperwork is completed by the new

incumbents. Although payment is done upon confirmation of services rendered by electoral staff through the Electoral Staff payment system, this generally continues to pose a challenge for the Commission.

Besides the pressure that the Commission is put under to engage unemployed citizens as electoral staff, the Commission is often faced with financial regulatory requirements that stipulate that every person's allowance must be paid directly into their bank accounts. Accordingly, this must be done as soon as possible after Election Day, leaving very little time to ensure that all the administrative requirements have been complied with. Nevertheless, the Commission is yet to find a foolproof system of timeously effecting these payments in line with relevant financial requirements.

During the reporting period, we continued our international involvement in the promotion of electoral democracy. We established and strengthened partnerships with a number of election management bodies on the continent and beyond, and continue to play a role in regional, continental and international organisations such as the SADC Electoral Commissions Forum (SADC ECF), the International Institute for Democracy and Electoral Assistance (International IDEA) and the African Union (AU). We also participated in observer missions, technical assistance programmes, workshops and seminars where Commission staff showcased and broadened their expertise. Our relationship and collaboration with our sister Chapter 9 Institutions have grown in this period. Joint meetings and community outreach activities saw us reaching many South Africans in far-flung areas with a view to strengthen constitutional democracy in the Republic.

We commend the Electoral Commission's Chief Electoral Officer, management and staff members whose commitment, efficiency and effectiveness largely sustained the delivery of world-class elections over the years. We also express our appreciation to numerous South Africans who regularly work in our voting stations as volunteers, receiving only a subsistence allowance for their efforts. Above all, we thank various government departments who work with us especially around the delivery of elections, sometimes overstretching their resources in the



process. Undoubtedly, without such support there can be no elections.

In addition, the Commission continues to appreciate the support and meticulous oversight role played by Parliament through the Portfolio Committee of Home Affairs under the Chairpersonship of the Honourable Ben Martins (MP).

Furthermore, the Commission is pleased that it has been able to account for all its income in line with its reputation as an ethical, honest and truthful custodian of all public resources under its charge. This can be ascribed to our rigorous financial procedures and the system the Commission used to track its expenditure against the budget. The Commission continues to strive for excellence in all areas of its work and whilst noting the qualification of its 2010 financial statements, efforts will be made to improve.

Finally, as we prepare for the 2011 Local Government elections, we shall intensify our efforts to ensure that we remain a world-class election management body.

**DR BH BAM**  
Chairperson



## Chief Electoral Officer's Introduction

Presented for tabling to the National Assembly, this report sets out a record of the activities and operations undertaken by the Commission during the period 1 April 2009 to 31 March 2010, including the Audited Annual Financial Statements.

Operations for the year under review included the management of the April 2009 National and Provincial Elections. A detailed synopsis of the Commission's activities for the 2009 National and Provincial Elections was consolidated into a comprehensive elections report, which was submitted to Parliament. This report particularly seeks to provide a description of the Commission's key performance achievements against its seven strategic objectives.

### **Positioning the Commission as a global leader in electoral democracy**

Immediately following the 2009 elections, the Commission undertook a critical examination of all aspects of its operation in the elections. This was conducted through a series of debriefing sessions attended by Commission officials and political parties' representatives.

A significant outcome of these sessions was a number of proposals for amendments to the Local Government: Municipal Electoral Act, 2000 (Act 27 of 2000). A draft Bill with recommended amendments has been submitted to the Minister of Home Affairs for processing.

In addition to observing several elections in other countries, the Commission engaged and interacted with a number of international stakeholders, particularly those that observed the 2009 elections. Furthermore, the Commission hosted a number of delegations from counterpart election management bodies including Thailand, Sudan and Kenya. These visits were utilised as platforms for peer learning and for discussing key election management principles.

### **Developing a strategy to monitor project implementation and to facilitate independent assurance processes to ensure the effective and efficient functioning of the Commission.**

The Commission's governance and management systems remain sound. During the year under review, the Commission conducted comprehensive internal audit activities that included a review of information technology, overall performance, risk-based compliance, governance and financial management. Audit Reports that emanated from these activities were submitted to the Audit Committee to assist it in the monitoring of business processes including management's compliance with internal and external audit recommendations.

Lessons learnt during the 2009 National and Provincial Elections are incorporated into the preparation framework for the 2011 Municipal Elections. The Commission has established an internal framework for systemic monitoring of performance throughout its offices.

### **Maintaining systems and procedures which will ensure an accurate and up-to-date national voters' roll**

A network of 19 726 voting stations was used for the 2009 elections. Of these, 18 608 were permanent, 1 061 temporary and 57 mobile voting stations. A total of 71% of these voting stations were located in schools. During the year under review, the Commission worked closely with the Municipal Demarcation Board (MDB) in its re-delimitation of municipal ward boundaries for the 2011 elections.

Based on the experience of the 2009 elections and continuously changing human settlement patterns, the Commission started a review of its voting district boundaries and voting station networks, also in preparation for voter registration ahead of the 2011 elections.

The number of voters on the voters' roll decreased by 256 077, from 23 167 604 in April 2009 to 22 911 527 in March 2010. This is in contrast to the net increase in the number of registered voters during the previous reporting period by 2 875 861 in the run-up to the 2009 National and Provincial Elections. However, registration figures for people in the age group 16 to 19 years increased by 14 622 (new registrations) and the figure for the age group 20 to 29 years by 10 085 (new registrations). The age group 16 to 29 years accounted for 84% of new registrations during the year under review.

### **Implementing and promoting effective electoral processes that will facilitate the participation of political parties and candidates in the management and delivery of free and fair elections**

The Commission's National Party Liaison Committee (NPLC), which is a forum for discussion, exchange and sharing of information between the Commission and represented political parties, met on 13 occasions during the year under review and deliberated on a number of issues including the proposed amendments to the Local Government: Municipal Electoral Act of 2000.

Six new parties were registered during the reporting period and 26 unrepresented parties were deregistered due to their failure to renew their annual registration as required by legislation. At the end of the financial year, a total of 139 parties were registered. Of these,

106 are registered at national level, while 33 are registered at municipal level.

The Commission conducted 139 by-elections throughout the country to fill ward vacancies. All the ward vacancies were filled within the 90-day period requirement.

A total of 365 proportional list (PR) seat vacancies were processed and filled within the required legislative period. Of these replacements, 335 were for Local Councils while 30 were for District Councils.

### **Delivering well-run elections which produce results that are credible**

During the 2009 National and Provincial Elections, the Commission established National Results Centres at the Tshwane Events Centre and in nine provinces. These functioned as operational and media centres for the monitoring and reporting of election activities, including election results.

Also during the 2009 National and Provincial Elections, the Commission for the first time introduced the scanning of individual results slips at municipal offices where the recording of results took place.

Another of the Commission's innovations that was introduced during these elections was the scanning of the barcode of voter's identity documents at voting stations so as to locate names of registered voters on the district segment of the voters' roll. This allowed for the speedy location of voters on the voters' roll and for an analysis of the demography of voters in the 2009 elections.

By law, the Commission is required to declare the results of an election within seven days of the election date. The results of the 2009 elections were declared within three days.

### **Educating and informing civil society with a view to optimising citizen participation in democracy and electoral processes**

In order to sufficiently educate the South African electorate so as to cast an informed vote at elections, the Commission had aimed to conduct 246 822 civic education interventions and in provinces nationally during the year under review. However, 1 330 226 interventions were conducted, a figure far

surpassing the target. Public interventions are direct interactions with the public that range from presentations, workshops, seminars, conferences, roundtables, symposiums and preparatory briefings. The Commission conducted a Voter Satisfaction Survey or "Exit Poll" on Election Day 2009. The survey produced a comprehensive report covering various issues such as the role of elections in a democracy, free and fair elections, and the role of the Commission in conducting and managing elections.

**Developing and maintaining effective business processes (in respect of legal services, human resources management, support services, financial management, and information and communication technology services) in order to ensure the effective functioning of the Commission**

The Commission's permanent staff establishment comprises 806 posts. Vacancies were filled according to numerical targets that the Commission set to fulfil in compliance with the Employment Equity Act, 1998 (Act 55 of 1998).

The Commission is committed to providing a safe and healthy workplace for its employees. No incidents of injury while on duty or in the working environment were reported during the year under review. A total of 18 employees benefited from the Commission's wellness programme.

The Commission received R937 233 000 for the year under review by way of a parliamentary vote, inclusive of an R8 266 000 inflation-related adjustment. The Commission utilises the Logistics Information System (LIS) which is a computerised system for the planning, management, procurement and control of electoral materials. The LIS was utilised during by-elections, national registration weekends and during full-scale elections, facilitating the management of the distribution of these materials.

Information Technology (IT) initiatives in support of the 2009 National and Provincial Elections and other electoral activities throughout the year were conducted with success. Current IT projects are aimed at enhancing existing systems to incorporate lessons learnt in previous electoral activities and in particular in preparation for the 2011 Municipal Elections.



**Advocate Pansy Tlakula**

Chief Electoral Officer





# SECTION 2

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

## ***Organisational Values***

To enable us to serve the needs of stakeholders, including the electorate, political parties, the media and our own permanent and temporary staff, we subscribe to the following organisational values:

**i. Following best practices**

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

**ii. Being sensitive to race, culture, language, religion, disability and gender issues**

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

**iii. Being ethical, honest and truthful**

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

**iv. Improving continuously**

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

## Legislative mandate

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

- i. manage elections of national, provincial and municipal legislative bodies in accordance with national legislation;
- ii. ensure that those elections are free and fair; and
- iii. 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 (Act 51 of 1996). These include to:

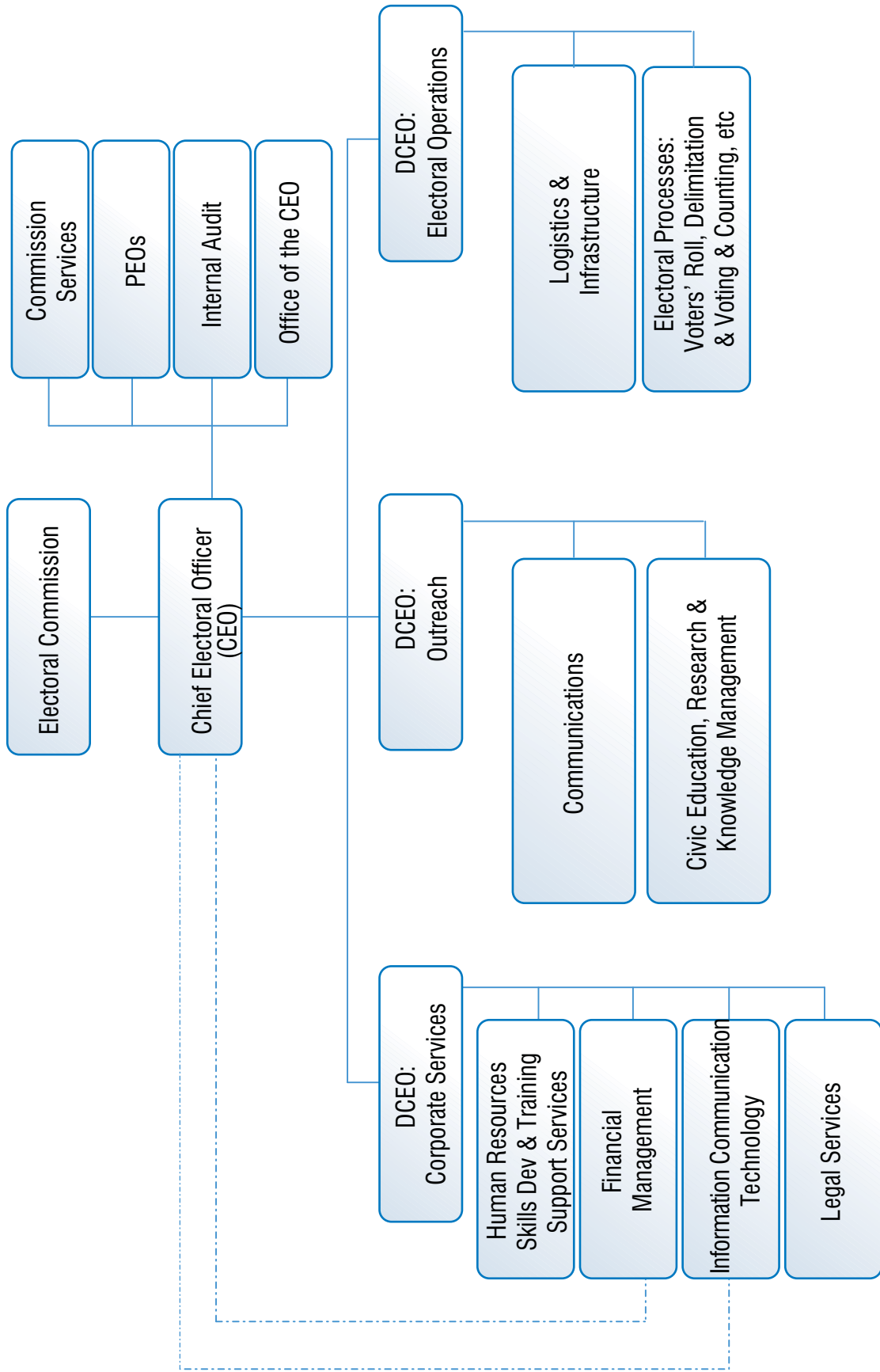
- i. compile and maintain a voters' roll by means of a system of registering eligible voters by utilising data available from government sources and information furnished by voters;
- ii. compile and maintain a register of parties;
- iii. undertake and promote research into electoral matters;
- iv. develop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

## Strategic Objectives

1. To position the Commission as a global leader in electoral democracy
2. To develop strategy, to monitor project implementation and to facilitate independent assurance processes to ensure the effective and efficient functioning of the Commission.
3. To maintain systems and procedures which will ensure an accurate and up-to-date national voters' roll
4. To implement and promote effective electoral processes that will facilitate the participation of political parties and candidates in the management and delivery of free and fair elections
5. To deliver well-run elections which produce results that are credible
6. To educate and inform civil society with a view to optimising citizen participation in democracy and electoral processes
7. To develop and maintain effective business processes (in respect of legal services, human resources management, support services, financial management, and information and communication technology services) in order to ensure the effective functioning of the Commission.



**IEC STRUCTURAL ORGANOGRAM**





# SECTION 3

## PERFORMANCE AGAINST STRATEGIC OBJECTIVES

## Strategic Objective 1

## Projecting the Commission as the global leader in electoral democracy

| Goal  | Key performance indicator   | Target  | Performance results | Reason for variance   |
|---|---|---|---------------------|---|
| <b>Entrench the Commission as an effective, independent and impartial custodian of electoral democracy nationally</b>             | Provision of independent opinion and advice on matters affecting electoral democracy in South Africa, including legislation and regulations | Reviewing legislation and regulations at least <b>once</b> a year   | 1                   |   |
|   |   | Reporting to the Portfolio Committee on Home Affairs in Parliament on proposed legislation/ amendments at least <b>twice</b> a year.<br>Reporting to the Portfolio Committee on Home Affairs on management of 2009 Elections  | 1<br>1              | One briefing to the Portfolio Committee followed an invitation from the Committee. As a result only one opportunity arose to report on these matters  |
|   |   | Briefing of political parties and other relevant stakeholders on legislation/amendments at least <b>twice</b> a year  | 2                   |   |
| <b>Entrench the Commission as an effective, independent and impartial custodian of electoral democracy nationally (continued)</b> | Management of elections of other institutions   | Managing at least <b>four elections</b> of other institutions per annum per province  | 99 (See table 1)    |   |
| <b>Engage in Local Liaison</b>  | Strategic liaison with government departments, other Chapter 9 institutions, NGOs and other relevant stakeholders                           | At least <b>four meetings</b> of the Forum of Independent Statutory Bodies (FISB) per year<br>Liaison <b>at least twice</b> a year with the Parliamentary Committee overseeing Chapter 9 Institutions<br><b>One</b> Human Rights and Democracy Awards event per year<br>At least <b>one joint provincial visit</b> per year | 1<br>3<br>0<br>0    | Meetings not possible due to the 2009 National and Provincial Elections Awards not held due to 2009 National and Provincial Elections<br>No agreement with other Chapter 9 institutions on how this could be hosted jointly |
|   |   | At least <b>two</b> multi-stakeholder discussion forums per province on electoral matters   | 0                   | These forums were held in the previous financial year in the run-up to the elections  |

## SECTION 3

| Goal   | Key performance indicator   | Target   | Performance results  | Reason for variance  |
|--|---|--|--|--|
|  |   | Provide responses to <b>all</b> Parliamentary questions and other enquiries directed at the Commission   | Achieved   |  |
| <b>Engage in International Liaison</b>                     | Strategic alliances and co-operation with relevant international stakeholders   | Participate in at least <b>two technical assistance programmes</b><br>Observe elections in <b>at least 4 countries</b>                             | 6<br>4   |  |
|  | Liaison with electoral management bodies (EMBs) on the African continent and other parts of the world   | Participate in at least <b>6 study tours to other countries</b><br><br>Host <b>12 international delegations</b>                                    | 1<br><br>8 (See table 2b)                                  | There were an increased number of technical assistance programmes, which resulted in less attention being paid to study tours. Accepted few delegations due to preparation for elections |
|  | Liaise with the Department of Foreign Affairs (DFA) and other stakeholders<br><br>(DFA's name was changed to the Department of International Relations and Cooperation [DIRCO] after the elections) | Participate in at least <b>two meetings</b> of each of the following: the SADC ECF, International IDEA, the AAEA, the AU, the Commonwealth and DFA | SADC ECF: 4<br>AU: 1<br>International IDEA: 2<br>DIRCO: 5  | No meetings were arranged by the Commonwealth and AAEA during this period  |
| <b>Facilitate Observation of Elections in South Africa</b> | Accreditation of high-calibre delegations of international and domestic observers   | Update application forms for accreditation   | 15 international and 51 domestic observers were accredited |  |

Several debriefing sessions were conducted to assess the successes and challenges of the 2009 National and Provincial Elections. As a result of these sessions, proposals were made for legislative amendments to the Local Government: Municipal Electoral Act of 2000. These proposals were discussed with members of the National Party Liaison Committee at its meetings of 17 August 2009 and 9 March 2010.

The Portfolio Committee on Home Affairs was briefed on the Commission's Annual Report for 2008/09 on 3 November 2009.

The Commission provided assistance with the elections of 99 South African institutions in accordance with its policy guidelines on assisting with elections within other institutions. Details of these institutions are provided in **Table 1**.

Table 1: Elections for other institutions

| Province      | Institutions  |
|---------------|---|
| Eastern Cape  | Eastern Province Amateur Cricket Executive Committee, Midlands College SRC, Port Elizabeth Technical College SRC  |
| Free State    | Central University of Technology SRC, Mofutsanyane Taxi Association   |
| Gauteng       | Government Employees Pension Fund (GEPF) Board of Trustees, Disabled People of South Africa National General Secretary election, Ward Committees, South African Democratic Teachers' Union (SADTU) Gauteng Provincial Executive Committee, Black Management Forum National Chair and Deputy Persons, University of Limpopo MEDUNSA SRC  |
| KwaZulu-Natal | Local House of Traditional Leaders, eThekweni Sports Council, Ntuthuko Primary School SGB, Durban University of Technology (DUT) SRC, Charlestown Community Trust, University of Zululand SRC, Shine FM Board of Directors, SACPO FET College Principals, Elangeni FET College Student Executive Committee, Elonwabeni Retirement Centre Management Committee, South African Football Association (SAFA) Amajuba Executive Committee, Transmed Office Bearers   |
| Limpopo       | Staff Representatives to Council of the University of Venda, World Children's Prize for Children's Rights, Capricorn FET College SRC, Greater Tzaneen Driving School Association, University of Venda SRC, FET Colleges in Blouberg, Seshego and Polokwane, Limpopo Provincial Taxi Association, Mutale SASOL Garage Board  |
| Mpumalanga    | Taxi Associations in Matsulu, Amersfoort, eMalahleni, Thula Mahashi, Hluvukani, Acornhoek, Suta Bohlabelo, Dondonald, Mbombela, Balfour Dipaleseng, Pixley Ka Seme, Govan Mbeki, Kanyoni, Malelane, Delmas, Nkomazi, Unjidi, JS Moroka, Lekwa, Morgenzon; Civil Society and Secunda – Zamokuhle Taxi Associations, Lowveld College of Agriculture SRC, Mashishing Men's Inter-denomination, Ehlanzeni FET SRC, SANCB Elections  |
| Northern Cape | DENOSA SRC, South African Democratic Nurses' Union (SADNU) National Executive Committee, ANCRA Board Members, NDFT Board Members, National Institute of Higher Education (NIHE), SANTACO  |
| North West    | SGB Elections: Phiri High School, Letshelemela Primary School, Kgololosego Intermediate School, Mocos High School, Mafikeng High School, Seitilo Middle School, DP Kgotleng Primary Schools, Mafikeng Policing Forum Executive Committee, Polmed: Madibeng, Rustenburg, Ramotshere Moiloa, Ditsobotla, Potchefstroom, Motlosana, Maquassie, Kagisano, and Greater Taung Municipalities; University of North West SRC, South African Council of the Blind, Zeerust Community Policing Forum, 2009 Global Vote for Children's Rights in Bonjanala region, Botlhako Ba Leema Traditional Council, Bapo Tribal Traditional Council, Rustenburg Local House of Traditional Leaders, LoveLife, South African Police Service (SAPS), Provincial Community Forum Executive; Koster Community Policing Forum, Vusela College SRC, Communal Property Association, Rustenburg Taxi Association |
| Western Cape  | CPUT SRC, UWC SRC, NMMU SRC, Khayelitsha Youth Development, Camp Eden   |

## INTERNATIONAL LIAISON

Since 1994, there has been a growing confidence internationally and particularly within the continent, in the systems developed by the Commission to deliver free, fair and credible elections. These systems and processes were developed through partnerships and interactions with various stakeholders world-wide that have resulted in the Commission becoming one of the major international role-players in entrenching electoral democracy.

During the period under review, the Commission continued interactions with its partners by participating in observer missions, international study tours and other international events. The Commission received guests from countries such as Thailand, Sudan and Kenya. It was during these occasions that the Commission shared with its counterparts and partners principles of elections management such as transparency, impartiality, innovation and professionalism. Table 2 (a) includes a summary of these interactions.

Table 2 (a): International Liaison Interactions

2009

| Dates            | Country              | Activity                                       | Representative                       |
|------------------|----------------------|--|--------------------------------------|
| 12 – 16/04/09    | Australia            | Special Votes Assistance to SA High Commission | M Naidoo                             |
| 12 – 16/04/09    | United Arab Emirates | Special Votes Assistance to SA Embassy         | TI Tselane                           |
| 12 – 16/04/09    | United Kingdom       | Special Votes Assistance to SA High Commission | P Tlakula<br>M Hendrickse            |
| 11 – 16/04/09    | New Zealand          | Special Votes Assistance to SA Embassy         | E Topkin                             |
| 15 – 16/05/09    | Sweden               | International IDEA meeting                     | NB Bam                               |
| 13 – 23/05/09    | Malawi               | SADC ECF Observer Mission                      | T Thiba<br>L Pholoha                 |
| 01 – 07/06/09    | Norway               | The Global Forum on Freedom of Expression      | P Tlakula                            |
| 06 – 10/06/09    | Libya                | AU Panel of the Wise meeting in Libya          | NB Bam<br>S Fikeni                   |
| 02 – 07/06/09    | Nigeria              | Retreat of Nigeria's Parliament                | J Mthethwa<br>M Mosery               |
| 23 – 27/06/09    | Namibia              | Media Workshop                                 | M Masutha                            |
| 20 – 26/06/09    | United Kingdom       | Wilton Park Conference 981                     | B Finca                              |
| 23 – 25/06/09    | Swaziland            | SADC ECF CEOs' meeting                         | M Kelembe                            |
| 13 – 19/07/09    | DRC                  | 11 <sup>th</sup> AGC of the SADC ECF           | TI Tselane<br>M Moepya               |
| 14 – 18/07/09    | United Kingdom       | Cambridge Conference                           | M Hendrickse                         |
| 21 – 24/07/09    | Malawi               | Malawi post election review workshop           | G Chaplog-Louw                       |
| 10 – 13/08/09    | Nairobi              | Induction of Kenyan EC Commissioners           | NB Bam<br>NFT Mpumlwana              |
| 14 – 15/09/09    | Sweden               | International IDEA meeting                     | NB Bam                               |
| 09 – 20/10/09    | Botswana             | SADC ECF Observer Mission                      | J Moroka                             |
| 09 – 20/10/09    | Botswana             | AU Observer Mission                            | NB Bam<br>S Maki                     |
| 23/10 – 01/11/09 | Mozambique           | SADC ECF Observer Mission                      | L Maphanga<br>N Masike<br>S Mamabolo |

| Dates            | Country | Activity   | Representative                                     |
|------------------|---------|--|--|
| 11 – 15/11/09    | Ghana   | IFES colloquium on African Elections             | T Thiba<br>J Bekebeke                              |
| 20/11 – 01/12/09 | Namibia | SADC ECF Observer Mission                        | S Manjoo<br>T Sethoba<br>W Sheburi                 |
| 02 – 11/12/09    | Mexico  | Study tour to Electoral Commission of Mexico     | S Boyle<br>M Motsapi                               |
| 16 – 18/12/09    | Malawi  | SADC ECF CEOs' and EXCO meeting                  | M Kelembe  |
| 16 – 19/12/09    | Ghana   | AU Heads of EMB's meeting                        | S Langtry  |
| 08 – 16/12/09    | Comoros | First Round Comorian Legislative Elections visit | R Munisamy<br>J Bekebeke<br>J Oliphant<br>C Venter |

## 2010

| Dates         | Country   | Activity  | Representative                                  |
|---------------|-----------|---|---|
| 23 – 29/01/10 | Sudan     | Electoral Assistance Project  | NB Bam<br>P Tlakula<br>M Moepya<br>M Kelembe    |
| 23 – 28/01/10 | India     | Electoral Commission of India's Diamond Jubilee Celebrations                                | NFT<br>Mpumlwana<br>M Masutha<br>M Hendrickse   |
| 01 – 05/02/10 | Sudan     | Electoral Assistance Project  | M Moepya<br>L Maphanga<br>S Boyle<br>R Munisamy |
| 23 – 26/02/10 | Swaziland | Capacity workshop Swaziland EMB   | N du Plessis<br>S Manjoo<br>J Aphone            |
| 17 – 18/03/10 | Botswana  | Presenting a paper at workshop of Stakeholders' Evaluation Electoral Commission of Botswana | M Moepya<br>L Tshabalala                        |

The Chief Electoral Officer is a member of the African Commission on Human and Peoples' Rights. The Chairperson of the Commission is a member of the African Union's Panel of the Wise and participates in

its activities. The Commission also participates in the activities of the Electoral Commissions Forum of the SADC countries and the International Institute for Democracy and Electoral Assistance (IDEA).

## International visitors

During the period under review, the Commission continued to engage with various international stakeholders, especially those that observed the 2009 elections. In addition to international guests who observed these elections, the Commission also hosted the following delegations:

- **The Senate Standing Committee on Political Development and Public Participation of Thailand**

The Commission hosted a delegation of the Senate Standing Committee on Political Development and Public Participation in Thailand on 15 June 2009. The purpose of the visit was to engage and share good practices with the Commission with respect to elections administration and elections in general.

- **A Delegation from the Interim Independent Elections Commission of Kenya (IIEC)**

The visit by the IIEC took place from 13 to 17 September 2009. The delegation consisted of 5 Commissioners of the IIEC. The purpose of the visit was to share experiences on the structure of an elections management body, delimitation, relationship with political parties, voter registration and results verification.

- **The Kenyan Centre for Multi-Party Democracy**

The delegation of the Kenyan Centre for Multi-Party Democracy was hosted by the Electoral Institute of Southern Africa (EISA) on 30 November 2009. The delegation visited the Commission for the purpose of understanding the legal framework of the Commission, the South African electoral systems, the counting and verification of results and the use of technology during elections.

- **A Delegation from the Sudanese Council for International People's Friendship**

The visit by this delegation took place on 5 February 2010. The Council for International People's Friendship is a Sudanese non-governmental organisation which promotes peace between the Sudanese people and other countries. The purpose of their visit was to share progress made with respect to elections in Sudan and also to request the Commission to monitor preparations for these elections and to consider providing assistance where necessary.

- **The Secretary-General of International IDEA, Mr Vidar Helgesen**

The visit took place on 24 February 2010. In his honour, the Commission and the University of South Africa (UNISA) hosted a seminar on "Supporting Democratic Elections in Africa: The Role of Policy and Democratic Assistance."

- **The Head of the United Nations Mission in the DRC (MONUC)**

Since 2005, the Commission has established good relations with its counterparts in the Democratic Republic of the Congo (DRC) and other stakeholders in that country such as the UN. Dr Muhamed Alam, the Head of the UN Mission in the DRC (MONUC) visited the Commission on 20 August 2009 and again on 2 March 2010. The purpose of the visits was to update the Commission on recent developments in that country, especially with respect to political, social and economic stability, and progress towards the next round of presidential and parliamentary elections.

- **A Delegation from the IIEC of Kenya**

In line with the Commission's commitment to assist the IIEC of Kenya to re-establish an elections management body, the Commission once more hosted a delegation from the IIEC on 15 to 19 March 2010. The delegation consisted of a Commissioner, the head of the secretariat and two other senior managers. The purpose of the visit was to learn and understand the operations and administration of an election management body.



Table 2 (b): FOREIGN VISITORS TO THE ELECTORAL COMMISSION – 2009/10

| YEAR | DELEGATION  | DATES                  |
|------|---|------------------------|
| 2009 | Delegation from Thailand  | 15 June 2009           |
|      | MONUC   | 20 August 2009         |
|      | Commissioners of the IIEC OF Kenya                                    | 13 – 17 September 2009 |
|      | Kenyan Centre for Multiparty Democracy                                | 30 November 2009       |
| 2010 | Meeting with delegation from the Sudan Electoral Commission           | 5 February 2010        |
|      | International IDEA Secretary-General                                  | 24 February 2010       |
|      | Meeting between the Commission and MONUC                              | 2 March 2010           |
|      | Delegation from the Interim Independent Electoral Commission of Kenya | 15 – 19 March 2010     |

### Strategic Objective 2

**Developing strategy, monitoring project implementation and facilitating independent assurance processes to ensure the effective and efficient functioning of the Commission**

| Goal  | Key performance indicator  | Target   | Performance results | Reason for variance |
|---|--|--|---------------------|---------------------|
| <b>Develop, adopt and table a strategic plan for the organisation</b>                 | Annual review of strategic objectives  | <b>Once</b> per year   | 1                   |                     |
| <b>Develop and maintain regular reporting mechanisms for the organisation</b>         | Updating a common template for monthly reporting against strategic objectives, operational plans, project risk assessments and budgetary performance | <b>One</b> accepted format for monthly reports by all officials who report directly to the CEO. Provincial reports to include data from local offices of the Commission. | 1                   |                     |
|   | Monthly reporting on performance against strategic objectives to Commission  | <b>12</b> reports per year   | 12                  |                     |
| <b>Develop and maintain regular reporting mechanisms for the organisation (cont.)</b> | Quarterly reporting on performance against strategic objectives to National Treasury   | <b>4</b> reports per year by the 5 <sup>th</sup> of the relevant month   | 4                   |                     |
|   | Annual reporting on performance against strategic objectives to Parliament   | <b>1</b> Annual Report tabled in Parliament by 31 August of each year  | 1                   |                     |

## SECTION 3

| Goal  | Key performance indicator  | Target   | Performance results  | Reason for variance   |
|---|--|--|--|---|
| <b>Develop and maintain organisational policies</b> | Compilation and maintenance of comprehensive policy manual in line with relevant legislation, regulations, Strategic Plan and adopted policies | <b>1</b> Policy Manual detailing policies on electoral matters, finance, HR, and general organisational matters by 31 July 2009  | In progress  | Appointment of Policy Committee to spearhead process delayed due to heightened elections activities.  |
| <b>Programme management</b>                         | Review management reports to extract and action matters requiring attention  | Regular review of <b>108</b> provincial reports, <b>36</b> DCEO (Divisional) reports and <b>12</b> Internal Audit reports<br>Regular Committee and Commission meetings | Achieved   |   |
| <b>Ensure effectiveness of Audit Committee</b>      | Audit Committee adheres to charter that is in line with legal framework and best practice  | Audit Committee meets at <b>least three times</b> a year to deliver on their mandate   | Audit Committee <b>met four times during the year</b> under review   | The Audit committee could not constitute a quorum for two of the four meetings held during the year, thereby not meeting the statutory compliance with section 77(b) of the PFMA and section 7 of the mandate, because of unavailability of all its members |
|   | Monitors internal audit performance and level of internal and external audit recommendations implemented.                                      | Audit Committee pronounces on the effectiveness of the Internal audit activity <b>once a year</b>  | Audit Committee <b>pronounced</b> on the effectiveness of the Internal audit activity <b>once a year</b> by performing the evaluation on internal audit as at 31 March 2010  |   |
|   | Audit Committee appraised of internal audit findings and recommendations   | Audit Committee informs internal audit priorities on a quarterly basis   | Audit Committee <b>informed internal audit priorities on a quarterly basis</b> by scrutinising the quarterly reports tabled by internal audit and the internal audit briefings to the committee during each sitting. |   |

## SECTION 3

| Goal   | Key performance indicator  | Target   | Performance results  | Reason for variance   |
|--|--|--|--|---|
| <b>Ensure effectiveness of Audit Committee (Cont.)</b>                       | Secretariat identifies and facilitates appropriate Audit Committee skills enhancement programme    | Commission performs evaluation on competence of members and effectiveness of audit committee on an <b>annual basis</b>                                       | Partly achieved  | Although the Accounting Officer performed an evaluation of the Audit Committee, the Commission resolved during a special meeting not to perform an additional assessment but to finalise suitable criteria as soon as possible. |
|  | Audit Committee formulates informed opinions regarding stakeholder information                     | Audit Committee publishes statutory assurance report in the EC's and Represented Political Parties' Fund (RPPF) <b>annual reports</b>                        | Audit Committee <b>published</b> statutory assurance report in the <b>EC's</b> and Represented Political Parties' Fund ( <b>RPPF</b> ) <b>annual reports</b>                           |   |
| <b>Monitor effectiveness of management's Risk Management Committee (RMC)</b> | Culture of proactive risk management adopted   | Individual risk owners table <b>monthly updates</b> on operational risk management to senior managers  | Not achieved   | The monthly reporting template was updated to allow for regular reporting on risk management  |
|  | Risk management structured and coordinated   | RMC tables <b>Quarterly</b> reports on adequacy of strategic and operational risk management to EXCO and Audit Committee                                     | RMC <b>tabled Quarterly progress</b> reports on implementation of enterprise risk management to EXCO and <b>Audit Committee</b>  |   |
| <b>Promote Fraud Prevention strategy</b>                                     | Irregularities reported timeously to assist with speedy forensic investigation and remedial action | <b>Monthly</b> reports on irregularities and investigations issued to CEO and Commission and incorporated into statutory quarterly report to Audit Committee | <b>Bi-weekly</b> reports on irregularities and investigations <b>were issued</b> to CEO and Commission and <b>also incorporated</b> into statutory quarterly report to Audit Committee |   |
|  | Updated Fraud Prevention Framework published in public domain                                      | EC staff, contractors, business partners and service providers are continuously informed about Fraud Prevention Policies                                     | The Fraud Prevention Framework <b>was not updated</b> during the year under review with the result that not all EC staff and   | Although the Fraud Prevention Framework was not updated, fraud prevention was promoted during risk awareness training sessions  |

## SECTION 3

| Goal   | Key performance indicator  | Target  | Performance results  | Reason for variance   |
|--|--|---|--|---|
| Promote Fraud Prevention strategy (Cont.)                        |  |   | contractors, business partners, or service providers were <b>continuously informed about Fraud Prevention Policies</b> . | conducted for national office staff and contractors and also for provincial and MEO staff in provinces, (except Free State and North West). In addition the internal audit questionnaires used in audits of the selected MEO offices, also tested the general understanding of conflict of interest and the practical application of standing EC policies aimed at fraud prevention.  |
| Develop and implement approved Internal Audit Staffing structure | Implement internal audit staffing plan within the agreed timeframe | Optimised structure of the Internal audit activity is continuously in synergy with out-sourced capacity | In progress  | The <b>in-house</b> internal audit staffing structure <b>was not</b> finalised during the period under review but postponed to coincide with the new tender for new co-sourced service providers to be published in the next financial year.  |
|  | Monitor and report on skills transfer by outsourced capacity       | Skills transfer and skills base structure is evaluated <b>quarterly</b>                                 | Not achieved   | Although the skills transfer from the co-sourced capacity to the in-house internal audit capacity <b>was not</b> formally structured, skills transfer to the in-house capacity was achieved through participation in the working group of the internal audit steering committee, participation in some provincial engagement meetings, field visits during some MEO audits, plus briefing/debriefing meetings with implementing |

## SECTION 3

| Goal  | Key performance indicator  | Target   | Performance results   | Reason for variance                    |
|---|--|--|---|--|
|   |  |  |   | managers and audit engagement meetings |
| <b>Monitor compliance with policies, legislation, regulations and other applicable authoritative conditions</b> | Conduct structured environmental scans to update audit programmes and audit consulting services framework on a monthly basis | Framework for audit programmes and audit consulting services is updated with applicable legal framework on a <b>monthly</b> basis. | The Framework for audit programmes and audit consulting/advisory services was updated with applicable legal framework <b>by performing environmental scans for practice notes etc.</b> on a <b>monthly</b> basis <b>and/or ahead of an audit engagement</b> |  |
|   | Ensure management is informed of applicable changes in regulatory framework  | EC business processes are continuously aligned to regulatory framework   | Changes in the applicable legal framework were circulated to management to ensure that EC business processes are continuously aligned to the regulatory framework   |  |
|   | Develop register of delegated authority  | Corporate governance framework is continuously updated in a structured manner  | The Corporate governance framework was not completed and therefore not continuously updated in a structured manner during the period under review   |  |
| <b>Develop 3 year rolling Internal Audit Plan in line with the mandatory framework</b>                          | Communicate scheduled audits included in approved internal audit plan  | <b>Annual</b> 3 year rolling Internal Audit Plan is risk based, aligned to strategic objectives and adheres to best practice       | The <b>annual</b> 3 year rolling Internal Audit Plan <b>that was approved</b> by the audit committee for the year under review <b>was risk-based, aligned to strategic objectives and</b>   |  |

## SECTION 3

| Goal  | Key performance indicator  | Target   | Performance results   | Reason for variance  |
|---|--|--|---|--|
| <b>Develop 3 year rolling Internal Audit Plan in line with the mandatory framework (Cont.)</b>                              |  |  | <b>adhered to best practice</b>   |  |
|   | Audit charter adheres to National Treasury Framework and best practice                                 | <b>Annual</b> review of Internal Audit Charter   | In progress   | The review of the internal audit charter was postponed pending the finalisation of the applicability of King III on the EC's internal audit framework  |
|   | Statutory reports and monthly operational reports are tabled timeously                                 | <b>4 quarterly reports</b> to Audit Committee, Executive Management and Commission and 12 monthly reports to CEO | <b>4 quarterly reports</b> were issued to the Audit Committee, the CEO and the Commission | Although no monthly reports were tabled to the CEO, regular progress updates on the implementation of the internal audit plan were provided to the CEO and the Commission's Finance and Audit Committee  |
|   | Annual plan spawns internal audit consulting services  | Management continuously consults internal audit regarding improvement of business processes and policies         | In progress   | Although the Internal Audit Plan did not spawn internal audit advisory services for all possible areas, liaison with internal audit is ongoing   |
| <b>Perform periodic internal audits, audit reviews and agreed-upon procedures for compliance and performance evaluation</b> | Management and business processes are reviewed and subjected to continuous auditing techniques (CAATS) | EC business processes continuously reflect the organisational quest for excellence                               | In progress   | Although periodic internal audits, audit reviews and agreed-upon procedures for compliance and performance evaluation were performed at all provincial offices, selected MEO offices and some national office departments and/or sections, not all the scheduled internal audits were finalised by the reporting date. The implementation of <b>continuous auditing techniques (CAATS)</b> was postponed to the next financial year. |

| Goal  | Key performance indicator   | Target  | Performance results | Reason for variance  |
|---|---|---|---------------------|--|
| <b>Perform periodic internal audits, audit reviews and agreed-upon procedures for compliance and performance evaluation</b> | Recommend value adding remedial actions, encourage proactive auditable 'control self-assessment' processes and inculcate value for money principles to reduce the audit time required | Continuous and timeous implementation of internal audit and external audit recommendations reported for National Office section and PEO/MEO offices and continuous evaluation of compliance with stated controls is performed as a shared management responsibility | In progress         | Although continuous and timeous implementation of internal audit and external audit recommendations was not reported for any departments and/or section and PEO/MEO offices and continuous evaluation of compliance with stated controls was not always performed as a shared management responsibility, the internal audit recommendations for audits completed reviewed management controls and the concept of 'control self-assessment' processes and value for money principles were promoted during risk-awareness sessions conducted at national office and in provinces (except Free State and North West) during the period under review |

The Commission developed, adopted and tabled its strategic plan as per the requirements of the Public Finance Management Act, 1999 (Act 1 of 1999) hereafter referred to as the PFMA. The strategic plan was presented to the Portfolio Committee on Home Affairs on 10 June 2009 (for the 2009/10 financial year) and on 16 March 2010 (for the 2010/11 financial year). During the period under review, 12 ordinary meetings and four special meetings of the Commission were held. In addition, the following committees of the Commission met on a regular basis:

- The Human Resources and Corporate Services Committee

- The Finance, Audit and Information Technology Committee
- The Electoral Operations Committee
- The Outreach Committee.

Twenty-eight meetings of Executive Committee (EXCO) and eight meetings of Management Committee (MANCO) were held.

The Commission's Audit Committee is required to meet at least twice a year (per section 7 of the Charter and section 77(b) of the PFMA) for purposes of evaluation, reviewing and effectively discharging its duties and oversight over the internal audit activity, budget and

staffing requirements. However, during the period under review, the Audit Committee met four times being June 2009, September 2009, October 2009 and March 2010 and members also availed themselves for the annual closed session with Commissioners. Amongst other things, the Commission had raised concerns that the Committee had failed to constitute a quorum for two of the four meetings held during the period under review.

### Internal Audit Activity

The above report of performance against indicators contained in the operational plan of the internal audit activity of the Commission indicates overall performance achieved by the Chief Audit Executive (CAE) and where applicable the co-sourced capacity as follows:

- CAE as the In-house Internal and Performance Audit Department
- KPMG Consortium, consisting of Afripeak Management Services (Pty) Ltd, KPMG Services (Pty) Ltd, Manase & Associates Finance CC and SAB&T Chartered Accountants Inc.
- Sekela-Matasis Consulting (Pty) Ltd
- LMD Africa Chartered Accountants Incorporated whose operations and related service entities merged with that of Messrs PriceWater-HouseCoopers on 1 October 2009.

The Chief Audit Executive is responsible for the overall preparation of the risk-based internal audit plan, project management of the co-sourced internal audit service provider and implementation of the plan as approved for assurance and advisory (internal audit consulting) services, and ad hoc services in line with the operational framework for internal audit.

The internal audit approach to incorporating aspects of management auditing together, follow-up reviews for progress on previous internal and/or external audits findings (actual or peer-review based) together with a compliance focus for all work performed during the period under review, enabled the year to form the base for comparative and overall internal audit ratings to be introduced in the next financial year.

Based on embedded organisational experience in electoral management cycles and understanding of organisational risk areas, the appropriateness and timing of the audits, reviews and advisory services for the year ending 31 March 2010 (as indicated in Table 3) was confirmed in consultation with the Audit Committee and the Accounting Officer.



**Table 3: National Office 2009/10 Internal Audit Coverage**

| <b>NATIONAL OFFICE</b>   | <b>TYPE OF AUDIT/REVIEW</b>  |
|--|--|
| Creditors management   | Financial discipline, management review, risk-based compliance audit, follow-up review |
| Corporate Governance   | Governance review  |
| Performance Audit of Registration Department   | Performance Audit  |
| Month-end closure and financial statement readiness in the SAP/R3 ERP environment  | Financial discipline, management review, risk-based compliance audit                   |
| Training review  | Risk-based compliance audit  |
| Represented Political Parties' Fund  | Financial discipline, management review, risk-based compliance audit, follow-up review |
| National Results Operation Centre  | Risk-based compliance review for asset management and catering services                |
| Electoral staff recruitment and payment plan   | Management and follow-up review  |
| In-year performance reporting  | Management and follow-up review  |
| Supply Chain Management, Finance Budget Process, Human Resources, Expense procedures, performance reporting and elections/by-elections expenditure at Municipal Electoral Officer (MEO) and Provincial Electoral Officer (PEO) level | Management review, financial discipline, risk-based compliance audit, follow-up review |
| Business continuation and disaster recovery  | Management review, compliance audit  |
| Month-end closure and financial statement readiness in the SAP/R3 ERP environment  | Financial discipline, management review, risk-based compliance audit                   |
| 2009 annual financial statements and report for IEC and RPPF   | Advisory service   |
| Legislative compliance monitoring  | Advisory service   |
| Risk Management Committee  | Advisory service   |
| Ad hoc investigations into irregularities  | Risk-based compliance audit  |

Table 4: Provincial and Municipal Office 2009/10 Internal Audit Coverage

| <b>EASTERN CAPE</b>  | <b>FREE STATE</b>   | <b>GAUTENG</b>                            |
|--|---|---|
| PEO  | PEO   | PEO                                       |
| EC125 - Buffalo City [East London]                                     | FS161 - Letsemeng [Koffiefontein]                           | EKU - Ekurhuleni [East Rand]              |
| EC127 - Nkonkobe [Alice]   | FS163 - Mohokare [Zastron]                                  | JHB - City of Johannesburg [Johannesburg] |
| EC128 - Nxuba [Adelaide]   | FS173 - Mantsopa [Ladybrand]                                | TSH - Tshwane Metro [Pretoria]            |
| EC132 - Tsolwana [Tarkastad]   | FS184 - Matjhabeng [Welkom]                                 | GT423 - Lesedi [Heidelberg]               |
| EC138 - Sakhisizwe [Elliot]  | FS194 - Maluti a Phofung [Qwa-Qwa]                          | GT482 - Randfontein [Randfontein]         |
| EC157 - King Sabata Dalindyebo [Umtata]                                | FS201 - Moqhaka [Kroonstad]                                 | GT483 - Westonaria [Westonaria]           |
| <b>LIMPOPO</b>   | FS203 - Ngwathe [Parys]                                     | <b>NORTHERN CAPE</b>                      |
| PEO  | FS204 - Metsimaholo [Sasolburg]                             | PEO                                       |
| LIM332 - Greater Letaba [Duiwelskloof] follow-up/agreed-upon procedure | FS205 - Mafube [Frankfort]                                  | NC064 - KAMIESBERG [Garies]               |
| LIM335 - Maruleng [Hoedspruit]   | <b>KWAZULU-NATAL</b>  | NC076 - THEMBELIHLE [Hopetown]            |
| LIM343 - Thulamela [Thohoyandou] follow-up/agreed-upon procedure       | PEO   | NC083 - KHARA HAIS [Upington]             |
| LIM351 - Blouberg [Bochum/My Darling]                                  | KZN262 - UPhongolo [Pongola]                                | NC091 - Sol Plaatje [Kimberley]           |
| LIM355 - Lepele-Nkumpi [Lebowakgomo]                                   | KZN263 - Abaqulusi [Vryheid]                                | NC453 - GAMAGARA [Kathu]                  |
| LIM361 - Thabazimbi [Thabazimbi]                                       | KZN266 - Ulundi [Ulundi]                                    | NC451 - MOSHAWENG [Kgalagadi]             |
| LIM362 - Lephallale [Ellisras]   | KZN273 - The Big 5 False Bay [Hluhluwe]                     | NC067 - KHâl-MA [Pofadder]                |
| LIM364 - Mookgopong [Naboomspruit]                                     | KZN274 - Hlabisa [Somkele] follow-up/agreed-upon procedure  | <b>NORTH WEST</b>                         |
| LIM366 - Bela-Bela [Warmbad]   | KZN275 - Mtubatuba [Mtubatuba]                              | PEO                                       |
| LIM367 - Mogalakwena [Potgietersrus]                                   | KZN282 - uMhlathuze [Richards Bay]                          | NW374 - Kgetlengrivier [Koster]           |
| LIM471 - Greater Marble Hall [Marble Hall]                             | KZN283 - Ntambana [Ntambana]                                | NW375 - Moses Kotane [Mogwase]            |
| LIM472 - Greater Groblersdal [Groblersdal]                             | KZN293 - Ndwedwe [Ndwedwe]                                  | NW381 - Ratlou [Setlagole]                |
| LIM473 - Makhuduthamaga [Ngwaritsi]                                    | KZN294 - Maphumulo [Maphumulo]                              | NW392 - Naledi [Vryburg]                  |
| LIM474 - Fetakgomo [Fetakgomo]   | KZN211 - Vulamehlo [Dududu]-follow-up/agreed-upon procedure | NW394 - Greater Taung [Reivilo]           |
| LIM475 - Greater Tubatse [Burgersfort/Ohrigstad/Eastern Tubatse]       | KZN213 - Umzumbe [Umzumbe]                                  | NW395 - Molopo [Pomfret]                  |
| <b>MPUMALANGA</b>  | KZN224 - Impendle [Impendle]                                | NW401 - Ventersdorp [Ventersdorp]         |
| PEO  | KZN232 - Emnambithi/Ladysmith [Ladysmith]                   | <b>WESTERN CAPE</b>                       |
| MP302 Msukaligwa   | KZN434 - Ubuhlebezwe [Ixopo]                                | PEO                                       |

|                                    |                                 |   |
|------------------------------------|---------------------------------|---|
| MP303 Mkhondo                      | KZN435 - Umzimkhulu [Umzimkulu] | Skills Gap analysis                         |
| MP305 - Lekwa [Standerton]         | KZN235 - Okhahlamba [Bergville] | CPT - City of Cape Town [Cape Town]         |
| MP311 Delmas                       | KZN242 - Nqutu [Nqutu]          | WC013 - Bergrivier [Velddrif]               |
| MP312 Emalahleni(Witbank)          | KZN244 - Msinga [Pomeroy]       | WC014 - Saldanha Bay [West Coast Peninsula] |
| MP313 - Steve Tshwete [Middelburg] | KZN252 - Newcastle [Newcastle]  | WC022 - Witzenberg [Ceres]                  |
| MP323 - Umjindi [Barberton]        |                                 | WC041 - Kannaland [Ladismith]               |
|                                    |                                 | WC043 - Mossel Bay [Mossel Bay]             |
|                                    |                                 | WC047 - Bitou [Greater Plettenberg Bay]     |

**Table 5: During the period under review the internal audit activity deviated from the Internal Audit Plan and in consultation with the Audit Committee and the Accounting Officer decided to roll-over the following audits to the 2010/11 financial year.**

| NATIONAL OFFICE   | TYPE OF AUDIT/REVIEW   |
|---|--|
| <ul style="list-style-type: none"> <li>- Disaster Recovery/Business Continuity Review</li> <li>- SAP Benefit Realisation Review</li> <li>- Business Process Analysis (SOP) Review</li> <li>- SAP Authorisations Review</li> </ul> | IT review  |
| Creditors management  | Financial discipline, management review, risk-based compliance audit, follow-up review |
| Corporate Governance  | Governance review  |
| Performance Audit   | Performance Audit  |
| Month-end closure and financial statement readiness in the SAP/R3 ERP environment   | Financial discipline, management review, risk-based compliance audit                   |

### Risk management

A structured relationship has been developed with the risk management department of the National Treasury to provide guidance and support in the process of institutionalising the practice of risk management within the Commission.

The revised strategic risk register is being finalised.

The Risk Management Committee meets regularly. In addition, EXCO meetings which take place weekly provide the opportunity to monitor risk management related issues. This includes financial risks which are reported against the remedial plan that has been developed to address previous residual risks.

## Strategic Objective 3

Maintaining systems, procedures and infrastructure that will ensure an accurate and up-to-date national voters' roll

| Goal  | Key performance indicator  | Target   | Performance result   | Reason for variance  |
|---|--|--|--|--|
| <b>Conduct research to establish the demographics of a valid voters' roll composition</b> | A comprehensive and demographically balanced voters' roll                                    | Shortfalls in demographic areas and/or population areas targeted                   | 84% of the new registrations for the reporting period were in the age group 16 to 29 years |  |
| <b>Make facilities available for eligible citizens to register on a continuous basis</b>  | An up-to-date (current) voters' roll   | <b>22,6 million</b> registered voters on the voters' roll                          | 22 911 527   |  |
| <b>Investigate alternative voter registration methods and report to the Commission</b>    | A comprehensive and up-to-date voters' roll  | Registration facilities at local offices opened continuously                       | Achieved   |  |
|   |  | Registration stations in every voting district opened during registration weekends | Not applicable for this period   | General registration weekends were held in the previous financial year   |
| <b>Process Registration Application forms</b>   | An accurate voters' roll   | <b>100%</b> of valid REC 1 forms captured correctly                                | Voter details on voter registration system   |  |
| <b>Verify that the applicant is registering in the correct voting district</b>            | An accurate voters' roll   | Voters registered in correct voting districts                                      | Voters' roll loaded on PBSUs (Zip-Zips)  |  |
| <b>Verify registration applications against the National Population Register (NPR)</b>    | Each applicant's status is checked against NPR to verify the applicant's eligibility to vote | Voters' roll checked against NPR <b>monthly</b>                                    | Achieved   |  |
| <b>Develop a National Address Database (NAD)</b>  | A database that allows for the linking of a voter's address to a voting district             | Add <b>20% more</b> geo-referenced points to NAD                                   | 10,8%  | Sourcing is limited to information received from municipalities. Difficulty obtaining geo-referenced points for rural areas and smaller towns. |
|   | Ensure that all applicants who apply   | Use of correctly issued MEC7   | Achieved   |  |

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| Goal  | Key performance indicator  | Target   | Performance result             | Reason for variance  |
|---|--|--|--------------------------------|--|
| <b>Develop a National Address Database (NAD) (cont.)</b>  | for registration find their names on correct segments of the voters' roll  | forms used in by-elections <b>reduced by 50%</b>   |                                |  |
| <b>Improve access to voting stations for voters</b>   | Reasonable access of voters to voting stations   | 100% of voting districts reviewed in accordance with legislative requirements, and signed-off by Municipal Party Liaison Committees (MPLC)<br><br><b>100%</b> of voting stations reviewed and signed off by MPLC | In progress<br><br>In progress | Final sign-off of 100% voting districts will only occur in 2010/11 |
| <b>Review the delimitation of voting districts</b>  | Reasonable access of voters to voting stations   | <b>One</b> voting station per voting district  | Achieved                       |  |
| <b>Review the voting stations network</b>   | A stable and permanent voting station network  | Not applicable   | In progress                    | Applicable only in 2010/11   |
|   | Increased number of schools used as permanent voting stations in a bid to assist schools in obtaining the basic facilities such as water, electricity and sanitation | Use <b>60%</b> schools as voting stations for the 2011 Municipal Elections   | In progress                    | Applicable only in 2010/11   |
|   | Reduction in number of temporary voting stations   | Reduce the current temporary voting station network to <b>7%</b> of total voting stations  | In progress                    | Applicable only in 2010/11   |
|   | Facilitate the improvement of facilities at venues used as voting stations   | <b>2</b> meetings with provincial infrastructure task teams  | Achieved                       |  |
| <b>Review the mobile voting stations network</b>  | Reduction in number of mobile voting stations  | Reduce the current mobile voting station network to <b>2%</b> of total voting stations   | 0.3%                           |  |
| <b>Provide a reliable and accurate system to secure identified voting stations and ensure an adequate</b> | Reliable data available and sourcing options and processes in place  | Reliable data sourced via surveys of voting station facilities and accurately  | 100%                           |  |

| Goal   | Key performance indicator | Target   | Performance result   | Reason for variance                |
|--|---------------------------|--|--|------------------------------------|
| and effective level of infrastructure at those voting stations |                           | <p>captured on the Voting Stations Operations system</p> <p>Provisioning undertaken for identified infrastructure shortages</p> <p>Up to <b>21 400 voting stations</b> secured and functionally equipped per registration and election event</p> <p><b>100%</b> voting station availability per registration and election event</p> <p>Infrastructure Task Team to be active in each province to meet at least <b>2 times</b> a year</p> | <p>100%</p> <p>In progress</p> <p>100%</p> <p>Achieved</p> | <p>Applicable only for 2010/11</p> |

### Voting district delimitation

During the period under review the Commission worked closely with the Municipal Demarcation Board (MDB) in the implementation of its programme of municipal ward boundary re-delimitation for the 2011 Municipal Elections.

The MDB's ward re-delimitation programme for the 2011 elections has a significant impact on the work programme of the Commission, as some of the Commission's voting districts (VDs) are expected to be split by the re-delimited wards. These split VDs will need to be adjusted to the re-delimited wards, venues will need to be identified and secured as voting stations, and registered voters residing in VDs split by re-delimited wards will need to be re-registered into their correct VD and ward segments of the national voters' roll prior to the 2011 Municipal Elections.

The formulae to calculate the number of municipal council seats for municipalities was published by the Minister of Cooperative Governance and Traditional Affairs in the Government Gazette on 15 July 2009. Following this, Provincial Members of the

Executive Council (MECs) were able to determine and publish the number of municipal council seats for municipalities in their respective provinces in relevant provincial gazettes. Thereafter, the MDB computed the number and geography of proposed municipal wards for municipalities.

The Commission will be able to adjust its voting district (VD) boundaries and network of voting stations in preparation for voter registration for the 2011 Municipal Elections once the Commission receives the final ward boundaries from the MDB, which the MDB plans to hand over to the Commission on 1 September 2010.

Following changes to human settlement patterns, namely urbanisation, rural de-population, intra-urban migration, and so forth, that occurred after the update of the VD and voting station network for the 2009 elections, and in particular preparation for voter registration ahead of the 2011 Municipal Elections, the Commission commenced a review of its VD boundaries and voting station network. The aim of the review of the VD delimitation is to ensure that voters do not have

to travel unreasonably long distances to access their voting stations or wait for unreasonably long periods of time in queues at their voting stations in 2011. The Commission aims to increase its network of VDs and voting stations to about 20 500 in 2011.

Over the past ten-year period, the Commission has increased the number of its voting districts and voting stations from 14 650 in 1999 to 19 726 during the 2009

elections - an increase of 35% (see Table 6). The average number of voters registered at voting stations decreased from 1 240 per station in 1999 to 1 219 per station in 2004, with a further decrease to 1 175 per station in 2009. These constant decreases are indicative of an improvement in voter access to voting stations and a reduction of the time voters spend in queues at their voting stations.

**Table 6: Inter-election change in number of voting districts (VDs) and stations**

| Province      | VDs in 1999   | VDs in 2000<br>(% change) | VDs in 2004<br>(% change) | VDs in 2006<br>(% change) | VDs in 2009<br>(% change) |
|---------------|---------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Eastern Cape  | 2 646         | 3 087 (17%)               | 4 115 (33%)               | 4 368 (6%)                | 4 482 (3%)                |
| Free State    | 1 075         | 1 061 (-1%)               | 1 063 (0,2%)              | 1 186 (11%)               | 1 263 (6%)                |
| Gauteng       | 1 841         | 1 979 (8%)                | 1 956 (-1%)               | 2 172 (11%)               | 2 238 (3%)                |
| KwaZulu-Natal | 3 340         | 3 336 (-0,1%)             | 3 556 (7%)                | 4 064 (14%)               | 4 187 (3%)                |
| Limpopo       | 1 954         | 1 796 (-8%)               | 2 170 (21%)               | 2 274 (5%)                | 2 455 (8%)                |
| Mpumalanga    | 877           | 1 023 (17%)               | 966 (-6%)                 | 1 259 (30%)               | 1 376 (9%)                |
| Northern Cape | 357           | 396 (11%)                 | 347 (-12%)                | 621 (79%)                 | 625 (0,6%)                |
| North West    | 1 252         | 1 020 (-19%)              | 1 445 (42%)               | 1 488 (3%)                | 1 559 (5%)                |
| Western Cape  | 1 308         | 1 290 (-1%)               | 1 348 (5%)                | 1 441 (7%)                | 1 541 (7%)                |
| <b>TOTAL</b>  | <b>14 650</b> | <b>14 988 (2%)</b>        | <b>16 966 (13%)</b>       | <b>18 873 (11%)</b>       | <b>19 726 (4%)</b>        |

### Maintenance of the voters' roll and registration of voters

During the period under review, the Commission successfully managed an intensity of activities in preparation for national voter registration and numerous registration campaigns leading to the two registration weekends for the 2009 elections. The previous year's activities were primarily aimed at maximising voter awareness and participation.

The Commission conducted activities aimed at ensuring that the names of registered voters were recorded on the correct segment of the voters' roll. These activities were conducted through:

- Access to registration assistance during office hours of Municipal Electoral Officers (MEOs) at local municipalities
- By-election voters' roll management to ensure that all registration activity is accurately recorded on the correct segment of the by-election voters' roll
- Provincial registration activities targeting matriculants and students at schools and tertiary institutions
- Monthly voters' roll verification against the National Population Register.

### Registration figures

Registration figures for the period under review decreased by 256 077: from 23 167 604 in April 2009 to 22 911 527 in March 2010. This decrease is in

contrast to the increased voter registration of 2 875 861 in the run-up to the 2009 elections.

**Table 7: Changes in the Voters' Roll**

|               | 1-Apr-09          | 31-Mar-10         |
|---------------|-------------------|-------------------|
| Eastern Cape  | 3,054,367         | 3,013,141         |
| Free State    | 1,387,497         | 1,364,798         |
| Gauteng       | 5,460,054         | 5,493,346         |
| KwaZulu-Natal | 4,471,407         | 4,422,759         |
| Limpopo       | 2,254,643         | 2,241,385         |
| Mpumalanga    | 1,695,358         | 1,676,241         |
| North West    | 1,656,399         | 1,541,263         |
| Northern Cape | 554,539           | 546,333           |
| Western Cape  | 2,633,340         | 2,612,261         |
|               | <b>23,167,604</b> | <b>22,911,527</b> |

### Continuous voter and specific registration events

During by-elections, voters are encouraged to check, register or update their details at the voting stations that are specifically opened for by-election registration. Municipal Electoral Offices are opened at municipalities for this purpose during office hours while provincial registration activities are aimed at increasing registration figures for young people, particularly matriculants and

students at schools and tertiary institutions. The registration figures for young people in the age group 16 to 19 years is 14 622 (new registrations) while the figure for the age group 20 to 29 years is 10 085 (new registrations). The age group 16 to 29 years comprises 84% of the new registrations for the reporting period.

**Table 8: Overall Registration Activity April 2009 to March 2010**

| Province      | New Registrations | Re-Registration, Same VD | Re-Registration, Different VD | Total         |
|---------------|-------------------|--------------------------|-------------------------------|---------------|
| Eastern Cape  | 375               | 4,395                    | 838                           | 5,608         |
| Free State    | 1,705             | 1,479                    | 4,328                         | 7,512         |
| Gauteng       | 658               | 313                      | 1,083                         | 2,054         |
| KwaZulu-Natal | 15,159            | 9,077                    | 16,979                        | 41,215        |
| Limpopo       | 4,462             | 2,999                    | 1,999                         | 9,460         |
| Mpumalanga    | 2,019             | 5,689                    | 1,962                         | 9,670         |
| North West    | 1,410             | 1,469                    | 915                           | 3,794         |
| Northern Cape | 392               | 268                      | 365                           | 1,025         |
| Western Cape  | 3,154             | 1,249                    | 1,773                         | 6,176         |
| <b>Total</b>  | <b>29,334</b>     | <b>26,938</b>            | <b>30,242</b>                 | <b>86,514</b> |



**Overall Registration Activity: 1 April 2009 - 31 March 2010: Age groups**

| Age groups   | New Registrations | Re-Registration Same VD | Re-registration Different VD | Total         |
|--------------|-------------------|-------------------------|------------------------------|---------------|
| >=16<=17     | 7,657             | 339                     | 261                          | 8,257         |
| >=18<=19     | 6,965             | 1,335                   | 1,176                        | 9,476         |
| >=20<=29     | 10,085            | 6,275                   | 9,238                        | 25,598        |
| >=30<=39     | 1,851             | 5,932                   | 8,476                        | 16,259        |
| >=40<=49     | 1,253             | 5,296                   | 5,197                        | 11,746        |
| >=50<=59     | 810               | 3,713                   | 3,103                        | 7,626         |
| >=60         | 713               | 4,048                   | 2,791                        | 7,552         |
| <b>Total</b> | <b>29,334</b>     | <b>26,938</b>           | <b>30,242</b>                | <b>86,514</b> |

**Verification of the voters' roll**

The voters' roll is checked monthly against the National Population Register to verify the status of voters. A total of 86 514 voters checked their details and completed REC1 registration forms during the period under review. A total of 30 242 voters moved from one VD to another while 26 938 voters re-registered in the same VD. A total of 29 334 new voters applied for registration on the voters' roll.

**INFRASTRUCTURE SECTION****Voting Stations Infrastructure**

The voting station network that was used for the 2009 National and Provincial Elections comprised a total of 19 726 voting stations spread across the country. Of these, 18 608 were permanent, 1 061 were temporary and 57 were mobile. A total of 71% of permanent voting stations are located in schools. Standardised lease agreements were entered into with the landlord of the premises to secure the use of voting stations. All voting stations were activated for the elections.

The Commission continued to maintain and activate its voting stations infrastructure periodically to support by-elections as they occurred during the year. When a by-election is held in a ward, the voting stations in that ward are opened.

Voting stations provide an essential platform for the delivery of elections and continued emphasis is given to improving the quality of data available on the Commission's voting station database. Surveys were conducted in various areas to keep track of new developments countrywide.

Of the 18 608 permanent voting stations used for the 2009 National and Provincial Elections, 16% (2 969) did not have operating electricity, 6% (1 182) did not have ablution facilities and 10% (1 862) did not have running water. The 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.

These operations successfully complied with the performance targets set for the Commission's infrastructure section:

- Reduce the current mobile voting station network to 2% of total voting stations
- Reliable data sourced via surveys of voting station facilities and accurately captured on the Voting Stations Operations system
- Provisioning undertaken for identified infrastructure shortages
- Up to 21 400 voting stations secured and functionally equipped per registration and election event
- 100% voting station availability per registration and election event
- Infrastructure Task Team to be active in each province to meet at least 2 times a year

## Strategic Objective 4

Implementing and promoting effective electoral processes that will facilitate the participation of political parties and candidates in the management and delivery of free and fair elections

| Goal  | Key performance indicator   | Target   | Performance result  | Reason for variance |
|---|---|--|---|---------------------|
| <b>Maintain continuous liaison with political parties</b> | Effective liaison with political parties  | <b>494</b> Party Liaison Committee meetings held at national, provincial and municipal spheres | 1 254   |                     |
| <b>Maintain political parties register</b>                | Up-to-date, accurate and compliant register of political parties                              | Registration of political parties completed within the legal timeframe                         | 139 parties on register, of which 106 are registered at the national level and 33 parties registered at the municipal level               |                     |
|   | An up-to-date and accurate database of registered political parties                           | Status of current registered parties reviewed continuously as required by legislation          | A total of 6 new parties were registered during the reporting period while 26 unrepresented parties were deregistered                     |                     |
| <b>Receive, verify and record candidate nominations</b>   | Accurate candidate details captured within timeframes as stipulated in the election timetable | Nominations of candidates checked against legislative requirements                             | Achieved  |                     |
|   | Eligible candidates for elections   | Candidate lists available as per election timetable  | Achieved  |                     |
| <b>Fill municipal council vacancies</b>                   | Vacancies filled in compliance with legislation   | Ward by-elections held <b>within 90 days</b> of declaration of vacancies                       | All 139 by-elections to fill ward vacancies conducted in the period under review were held within 90 days of the declaration of vacancies |                     |
|   |   | PR vacancies filled <b>within 35 days</b> of declaration of vacancies                          | 365 PR list seat vacancies were processed and filled within 35 days   |                     |

### Liaison with Political Parties

The National Party Liaison Committee (NPLC) met 13 times at the Commission's national office during the period under review. The NPLC continues to serve as an important forum for the discussion of issues and the sharing of information. Of particular note is the

upcoming 2011 Municipal Elections and the proposed changes incorporated in the Bill and the MDB's demarcation changes and the proposed timetable for the completion of the demarcation process.

**Table 9: PLC Meetings - Provincial and Municipal**

|               | National  | Provincial | Municipal    |
|---------------|-----------|------------|--------------|
| National      | 13        |            |              |
| Eastern Cape  |           | 2          | 156          |
| Free State    |           | 11         | 79           |
| Gauteng       |           | 6          | 60           |
| KwaZulu-Natal |           | 13         | 264          |
| Limpopo       |           | 16         | 170          |
| Mpumalanga    |           | 7          | 177          |
| Northern Cape |           | 6          | 108          |
| North West    |           | 13         | 98           |
| Western Cape  |           | 3          | 62           |
| <b>Total</b>  | <b>13</b> | <b>77</b>  | <b>1 174</b> |

### Registration of political parties

At the end of the period under review, 139 parties were registered with the Commission. A breakdown of the party registration figures indicates that 106 are registered at national level and 33 parties registered

at municipal level. A total of 6 new parties were registered while 26 unrepresented parties were deregistered due to their failure to renew their annual registration, as required by legislation.

**Table 10: Political Party Statistics: April 2009 to March 2010**

|                      | National   | Municipal | Total      |
|----------------------|------------|-----------|------------|
| New Registrations    | 5          | 1         | 6          |
| Deregistered         | 17         | 9         | 26         |
| <b>Current Total</b> | <b>106</b> | <b>33</b> | <b>139</b> |

### By-elections

During the reporting period 139 by-elections were conducted to fill ward vacancies, compared with 161 by-elections in 2008/9 and 65 in 2007/8. This represents a decrease of 14% in relation to 2008/9. Ward vacancies are required by law to be filled within a 90-day period from the date on which the vacancy occurred. All ward

vacancies in the period under review were filled within the 90-day period. The main reasons for these ward vacancies were the death of councillors (46), resignation of councillors (44) and the expulsion of councillors by their political parties (28).

**Table 11: Incidents of ward by-elections per province (1 April 2009 to 31 March 2010)** [The information on by-elections includes uncontested by-elections.]

| Province      | By-elections | Number of voting districts | Number of wards | Number of registered voters |
|---------------|--------------|----------------------------|-----------------|-----------------------------|
| Eastern Cape  | 27           | 149                        | 27              | 195 722                     |
| Free State    | 17           | 91                         | 17              | 82 993                      |
| Gauteng       | 13           | 52                         | 13              | 121 203                     |
| KwaZulu-Natal | 33           | 177                        | 33              | 228 590                     |
| Mpumalanga    | 13           | 37                         | 13              | 46 478                      |
| Limpopo       | 4            | 23                         | 4               | 21 808                      |
| Northern Cape | 6            | 27                         | 6               | 20 069                      |
| North West    | 2            | 12                         | 2               | 8 277                       |
| Western Cape  | 24           | 93                         | 24              | 157 147                     |
| <b>TOTAL</b>  | <b>139</b>   | <b>661</b>                 | <b>139</b>      | <b>882 287</b>              |

### Proportional representation (PR) list management

During the reporting period, 365 proportional list (PR) seat vacancies were processed and filled. Of these, 335 were for Local Councils while 30 were for District Councils. Most municipal PR list replacements were due to resignations (218), expulsions (65) and deaths (43). There were 7 instances of vacancies caused by councillors who were elected to either the national or

provincial legislatures. In a further two instances, councillors who had been expelled had been re-instated in terms of Court Orders.

District Council PR list replacements were due to resignations (22), expulsions (5) and deaths (2) while one was due to redeployment by the party.

## Strategic Objective 5

## Delivering well-run elections which produce results that are credible

| Goal  | Key performance indicator   | Target   | Performance results  | Reason for variance |
|---|---|--|--|---------------------|
| <b>Provide a stable warehousing network at national, provincial and municipal spheres of government to cater for all electoral events</b>                   | Maintain lease agreements and equipment   | <b>100%</b> availability of warehouses at national and provincial spheres of government, and facilities secured as and when required at the municipal sphere of government | 100%   |                     |
|   |   | <b>90%</b> stock accuracy rate maintained per warehouse facility   | More than 90%  |                     |
|   |   | Warehousing Operational Guidelines published   | Achieved   |                     |
| <b>Provide a stable distribution network for the distribution of materials and equipment to voting stations and other venues for all electoral events</b>   | Maintain, monitor and manage Service Level Agreements (SLAs) with service providers | Distribution services specified and procurement processes concluded for these services   | 100%   |                     |
|   |   | At least <b>99%</b> accuracy in distribution of materials and equipment attained   | 100%   |                     |
|   |   | Distribution of materials and equipment compliant with the milestones set  | 100%   |                     |
| <b>Consolidate and procure all materials and equipment as used in all electoral events</b>  | Effective procurement management processes  | Needs for materials and equipment determined and quantified in a bill of materials (BOM) and a materials requirements plan (MRP)   | 100%   |                     |
|   |   | Publicised specifications for BOM items  | 100%   |                     |
|   |   | <b>100%</b> provisioning of materials and equipment using appropriate economy-of-scale procurement methods   | 100%   |                     |
| <b>Provide infrastructure requirements and additional election support staff for MEO and Regional IEC offices to adequately manage all electoral events</b> | Effective MEO management processes  | All office infrastructure secured in terms of municipal agreements or IEC procurement processes  | 100%   |                     |
|   |   | MEO appointment process supported and monitored  | Achieved   |                     |
|   |   | Additional election support staff recruited as per term contracts in line with election milestones   | Achieved   |                     |
| <b>Draft Election Timetable</b>   | Obtain timeous buy-in from all stakeholders   | Obtain Commission approval   | All by-election timetables approved by Commission resolution |                     |

| Goal  | Key performance indicator  | Target  | Performance results  | Reason for variance |
|---|--|---|--|---------------------|
| <b>Review voting, counting and results processes</b>                                      | Determine and address high risk areas/issues   | Results processes <b>100%</b> accurate and auditable                                      | All NPE results captured   |                     |
|   | Ensure a level of voter turnout that adds to the credibility of elections                            | <b>65%</b> voter turnout achieved in Elections 2009                                       | 77,3%  |                     |
| <b>Implement controls for managing election day activities</b>                            | Draft plan to effectively monitor all processes with due regard to political party and media liaison | Functional operations centres at national, provincial and municipal spheres of government | All operations centres functioning on Election Day                                 |                     |
| <b>Verify and capture election results</b>  | Effective processes in place and stakeholders well informed  | Publication of results <b>within 7 days</b> of the elections being held                   | Publication of results on 28 April 2009, within 6 days of the elections being held |                     |
| <b>Implement controls to manage election-related conflicts, complaints and objections</b> | Conflict management processes in place   | Resolution within the legislative requirements  | Achieved   |                     |
|   | Resolved election conflicts underpin the credibility of elections                                    | Mediators deployed to manage election conflicts   | 20 formal interventions  |                     |

### Local Office Infrastructure

The 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. The MEOs are normally senior employees of municipalities identified as being suitably qualified to provide part-time assistance on election-related matters. The MEOs are paid an honorarium to compensate them for their extra work. They facilitate cooperation between the Commission and their respective municipalities and promote the functional relationship between the Commission and the municipality in the registration of voters and the management of elections. The MEOs are not directly involved in operational matters.

Day-to-day management of electoral matters and election-related projects requires full-time resources permanently located at municipal level. The Commission operates a modest office in each

municipality to provide services to the public and to manage local electoral matters. These offices are staffed by Electoral Project Coordinators (EPCs) and are equipped with basic office infrastructure that is expanded during periods of heightened electoral activity.

These operations successfully complied with the performance targets set for the Commission's Infrastructure Section.

- All office infrastructure is in a functional condition and secured in terms of municipal agreements or the Commission's procurement processes.
- The MEO appointment process supported and monitored.
- Additional election support staff recruited as per term contracts in line with election milestones.

## Logistics

The Commission's warehousing infrastructure performed well. All the necessary electoral materials - including voters' rolls, ballot papers and security materials - for use during the 2009 National and Provincial Elections were procured and distributed to voting stations according to plan and in good time. Additional temporary human resource capacity was deployed where necessary to assist in handling the large volumes of material.

The Commission's programmable bar-code scanning unit (PBSU) scanners were loaded with electronic versions of the voters' roll and were successfully placed at each voting station to facilitate voter management on Election Day.

In view of the voting date for the 2009 elections being only three weeks into the new financial year, the bulk of logistical preparations were initiated in the latter part of 2008/9. These included printing of the final voters' roll, printing of ballot papers and procurement of all essential electoral materials as well as security items. Distribution of all these items was carried out at municipal level, where the materials would be readily available for transfer to voting stations.

The Commission utilises an electronic procurement system (Votaquotes) for the procurement of electoral materials. The Votaquotes system proved to yield competitive pricing and value for money.

### By-election support

Support for by-elections during the year 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 dispatched in support of by-elections and the established processes will be maintained in the new financial year. Electoral materials

stock for by-elections was replenished on time and within budget.

These operations successfully complied with the performance targets set for the Commission's Logistics Section:

- At least 99% accuracy in distribution of materials and equipment attained.
- Distribution of materials and equipment compliant with the milestones set.

### Logistics Infrastructure

Logistics infrastructure consists of the Commission's warehousing network and materials-handling resources at warehouses. The network consists of ten warehouses, namely one warehouse in each province and a central warehouse controlled from National Office.

Distribution of electoral materials is done by means of contracted-in resources. The Commission maintains minimal permanent resources in support of the logistics process.

These operations successfully complied with the performance targets set for the Commission's Logistics Section:

- 100% availability of warehouses at national and provincial spheres of government and facilities secured as and when required at the municipal sphere of government.
- Distribution services specified and procurement processes concluded for these services.
- 90% stock accuracy rate maintained per warehouse facility.
- Warehousing Operational Guidelines published.

### Logistics Information System: Planning

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 event. Materials are procured in accordance with the MRP requirements and are taken into stock. 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, national registration weekends and full-scale elections, and also to manage the distribution of those materials.

These operations successfully complied with the performance targets set for the Commission's Infrastructure Section:

- Needs for materials and equipment determined and quantified in a bill of materials (BOM) and a materials requirements plan (MRP.)
- Publicised specifications for BOM items.
- 100% provisioning of materials and equipment using appropriate economies-of-scale procurement met.

### **Programmable Barcode Scanner Unit (PBSU) Equipment**

The Commission operates a Logistics Section that is responsible for the safe storage, distribution and maintenance of all PBSUs (Zip-Zips), which is routinely used for voter registration.

During the year under review, the PBSUs were successfully deployed for use at voting stations on voting day for the purposes of voter management. In this mode each PBSU carries an electronic version of the voters' roll.

These operations successfully complied with the performance targets set for the Commission's Logistics Section.

### **Voting - 2009 Elections**

Following proclamation of the date of the 2009 National and Provincial Elections by the President of the Republic of South Africa, the Commission immediately initiated a process of notifications and applications for special votes. Special elections were conducted on 15 April 2009 (outside of South Africa), and on 20 and 21 April 2009 inside the Republic of South Africa.

A total of 743 609 people applied for a special vote inside South Africa and 20 350 applied for a special vote outside of South Africa. The majority of special vote applications inside South Africa were from physically infirm, disabled or pregnant women. Only 9 857 people out of the 20 350 people who applied to vote outside of South Africa actually cast their vote on 15 April 2009 at one of the 123 South African foreign missions abroad. In addition, 2 457 votes were cast outside of South Africa by registered voters on government service or their household members - including South African National Defence Force (SANDF) personnel.

The 2009 National and Provincial Elections Day was on 22 April 2009. A total of 19 726 voting stations were opened across South Africa, which opened at 7:00 and closed at 21:00. A total of 17 919 966 registered

voters cast their ballots, out of 23 181 997 registered voters on the certified national voters' roll for the 2009 elections. This represented a voter turnout of 77,3% compared with 76,7% (15 863 558 votes cast) in the 2004 elections and 89,3% (16 228 462) in the 1999 elections. The Commission set a voter turnout target of 65% for the 2009 elections.

A new operational function was introduced by the Commission in the 2009 elections that allowed for the efficient location of the name of a registered voter on the official hard copy of the voting district segment of the voters' roll at the voting station. This involved the scanning of the barcode of the identity document of voters at the voting station in order to more efficiently locate the name of the registered voter on the voters' roll. Moreover, this new activity enabled the Commission to analyse the demography of voters in the 2009 elections.

### **2009 elections results**

The Commission established a national results centre (at the Tshwane Events Centre) and nine provincial results centres. The results centres functioned as operational and media centres for the monitoring and reporting on election activities and results.

Following the counting of ballots at voting stations, the results of the elections were recorded onto the Commission's results system at the Commission's municipal offices. The results system was audited by external independent auditors and was open to the scrutiny of participating political parties prior to Election Day. An important part of the results process was the auditing by 620 external independent auditors (a consortium of PriceWaterhouseCoopers and Ngubane & Company) of the results that were recorded by Commission staff before the results were saved on the results system.

In an effort to further enhance the transparency of the results process, the Commission introduced for the first time in the 2009 elections the scanning of each results slip at the Commission's municipal offices where the recording of results occurred. This allowed political party representatives and Commission officials located at the ten election results centres to access the scanned image of each results slip and cross-check the information against the recorded and audited results information.

The Commission is legally required to declare the results of an election within seven days of the election. The results of the 2009 elections were declared within three days at 19:30 on Saturday 25 April 2009. At the same time the seat allocation to political parties that had contested the elections was announced. On 28 April 2009, the Commission designated the representatives in those seats from the respective party candidate lists and published the names of the designated representatives in the *Government Gazette*.



## Strategic Objective 6

To educate and inform civil society with a view to optimising citizen participation in democracy and electoral processes

## CIVIC EDUCATION, RESEARCH AND KNOWLEDGE MANAGEMENT

| Goal  | Key performance indicator  | Target  | Performance result  | Reason for variance   |
|---|--|---|---|---|
| <b>Plan, design, promote and implement Civic and Democracy Education initiatives</b>                        | CE curriculum statement<br><br>Customised & quality-assured programmes and materials<br>CE Projects for educational institutions, for by-elections, for persons with disabilities, mass education, community mobilisation, stakeholder engagement and multimedia platforms implemented | - 246 170 interventions and number of people reached nationally and in provinces<br><br>- Review reports on curriculum and stakeholder engagements<br><br>- 1 Post-election survey report   | - 1,330,226 interventions<br><br>- 2 review reports<br><br>- 1 Exit poll report                                     | Interventions achieved above target.<br><br>NB-Interventions cover a range of direct interactions with the public, in groups of various sizes and with individuals                |
| <b>Institutionalise Civic and Democracy Education in formal curriculum</b>                                  | Memorandum of Understanding (MOU)/ Formal agreement with national & provincial Departments of Education<br><br>Re-engagement with SAQA processes   | - Revised MOU to accommodate municipal elections (if necessary)<br><br>- Plan of action for municipal elections<br><br>- SGB for Democracy, Human Rights, Peace and Elections resuscitated. | - MOU not developed<br><br>- Plan of action not developed<br><br>- SGB not resuscitated                             | - MOU deferred to 2010-2011<br><br>- Plan of action linked to MOU - deferred as above<br><br>- Time and capacity constraints – SGB deferred to outer year of MTEF cycle viz. 2013 |
| <b>Conduct advocacy, public awareness campaigns, community outreach and other educational interventions</b> | Public awareness, advocacy and outreach initiatives, seminars, conferences and other educational interventions. Range and quantity of information disseminated   | - 10 campaigns conducted per province and 4 campaigns conducted nationally, reports of the campaigns<br><br>- 3 new publications developed  | - 94 campaigns. Campaigns included in total number of interventions above<br><br>- 3 new publications not developed | - Time and capacity constraints. New publications deferred to 2010-2011   |

## SECTION 3

| Goal  | Key performance indicator  | Target  | Performance result  | Reason for variance   |
|---|--|---|---|---|
| <b>Engage with stakeholders<br/>Develop joint programmes and collaborate with organs of State, Civil Society and Chapter 9 institutions</b> | Number and range of collaborative interventions targeting the local government sector<br><br>Number and range of strategic partnerships  | - 6 stakeholder engagements per province<br><br>Reports of provincial stakeholder engagements<br><br>- Minutes of quarterly meetings with provinces | - 36 stakeholder engagements, as contained in monthly reports. Stakeholder engagements included in total number of interventions above as contained in monthly reports<br><br>- 36 Stakeholder engagements reflected in monthly reports and/or in minutes kept at national and provincial level |   |
| <b>Implement multi-media education in all the provinces</b>   | Multimedia education proposal<br><br>Multimedia education in all the provinces<br><br>Creative collaboration with community radio, SABC Radio and SABC Education as a means of diversifying the methods for providing voter/democracy education to the nation. | - Evaluation of the multimedia model  | 1 Multimedia evaluation report on NPE 2009 Voter and Democracy Education campaign with SABC   |   |
| <b>Develop comprehensive and integrated quality assurance (QA) and management system</b>  | Assessment of QA toolkit and methodology developed<br><br>QA committee in place<br>Formats and schedules for reports in place  | - QA systems applications report<br><br>- Reports of QA committees  | - QA systems application report not developed. QA integrated into terms of reference for Impact Assessment Study.<br><br>- No QA reports  | - Focus changed from QA to Monitoring and Evaluation, which incorporates QA. QA system integrated into Impact Assessment Terms of Reference. Study will be conducted in 2011. |
| <b>Develop in-house capacity for CE</b>   | Training model developed<br><br>Training approach enhanced   | - Reports on all in-house training  | - 1 Peer workshop report and 1 national in-house induction.   | - Quarterly meetings not possible due to time constraints, reduced budgets and cost-saving measures   |

## SECTION 3

| Goal   | Key performance indicator  | Target   | Performance result  | Reason for variance  |
|--|--|--|---|--|
| <b>Undertake and promote research on electoral democracy</b>   | Number of research projects in regard to electoral democracy   | <ul style="list-style-type: none"> <li>- 2 research projects in regard to electoral democracy conducted</li> <li>- 3 Conferences, forums and /or workshops and range of events/interventions</li> <li>- At least 6 occasional papers produced</li> </ul>   | <ul style="list-style-type: none"> <li>- One research project , viz. 1 Exit Poll conducted, reflected in CERKM May and June 2009 monthly reports</li> <li>- 1 national Research and Knowledge Management roundtable and 2 internal learning sessions</li> <li>- Occasional papers not produced</li> </ul> | <ul style="list-style-type: none"> <li>- Time and capacity constraints</li> <li>- Publication of papers deferred to Year 2 (fiscal year ending Mar 2012)</li> </ul>  |
| <b>Monitoring &amp; assessment of the state of democracy</b>   | <p>Number of conferences, range of events/ interventions and workshops on state of democracy</p> <p>Monitoring and evaluation toolkit in place</p>   | 3 conferences  | 2 external conferences/ seminars  | - Time and capacity constraints  |
| <b>Establishment and maintenance of a world-class resource centre/library/ learning centre/ museum</b> | <p>Phased implementation of establishment, maintenance and running of world-class resource centre/library/learning centre/museum.</p> <p>Provide nature of support to users</p> <p>Library services at provincial offices</p> <p>Knowledge management processes for capturing/ archiving and dissemination in place.</p> <p>Develop number of case studies for learning purposes</p> | <ul style="list-style-type: none"> <li>- Conduct library review</li> <li>- Implement Phase 1 of Museum project, i.e. feasibility study, source and procure site for museum; source and procure service provider for museum</li> <li>- Capture Corporate Oral History;</li> <li>- Commission and curate 2 collections/ exhibitions</li> </ul> | <ul style="list-style-type: none"> <li>- Library Review not conducted</li> <li>- Phase 1 of Museum project not conducted. 2013.</li> <li>- Corporate Oral History not conducted</li> <li>- 1 exhibition at National Results Centre commissioned and no collection curated</li> </ul>                      | <ul style="list-style-type: none"> <li>- Library Review deferred to 2012 due to time and capacity constraints.</li> <li>- Feasibility study for museum deferred to 2013 due to change in institutional focus and time and capacity constraints</li> <li>- Corporate Oral History deferred to 2012</li> <li>- Collection of art works deferred to 2011</li> </ul> |
| <b>Design and implementation of Knowledge Management Strategy and System</b>                           | Phased approach: Internal processes in place for submission of documents/ reports Audits performed e.g. of project and stream-specific knowledge   | Initiate and activate Phase I of RKM strategy:   | RKM strategy not activated.   | Deferred to 2012 year due to time and capacity constraints   |

| Goal                     | Key performance indicator   | Target  | Performance result  | Reason for variance   |
|--------------------------|---|---|---|---|
|                          | No. of seminars, roundtable discussions, forums & networks in place<br>Internal dialogue forums   |   |   |   |
| <b>Quality Assurance</b> | Systems document developed<br><br>Formats for all reports in place<br><br>Number of policies, concept papers developed<br><br>Number of consultative and change management workshops<br><br>Toolkit and methodology developed<br><br>Situational analysis templates developed<br>Stakeholder forums | - Phase 1: Intellectual property policy in place<br><br>Approved policy adopted<br><br>Systems document developed<br><br>Quarterly QA reviews<br><br>Norms and standards in place<br><br>Database of thematic content issues, stakeholders etc. identified. | - Phase 1 of QA system not developed.<br>- 1 terms of reference for Impact Study. | - Focus change from QA to Monitoring and Evaluation, which incorporates QA. QA system integrated into Impact Assessment terms of reference. |

### Civic education

The Commission initially aimed to conduct 246 822 civic education interventions in the provinces and nationally. However, 1 330 226 interventions were conducted.

Civic education interventions involve a range of direct interactions with the public, in groups of various sizes and with individuals, in the form of presentations, workshops, seminars, conferences, roundtables, symposiums and preparatory briefings prior to by-elections. Target audiences for these campaigns included rural communities, women, youth, educational institutions (schools and tertiary educational institutions), persons with disabilities, the elderly, farming communities, prisoners, the private sector, traditional leadership, civil society organisations, faith-based organisations and organised labour.

The period under review commenced on a high note with a successful election and excellent voter turnout. About 76% of registered voters cast their vote. This was due in no small measure to a successful civic and

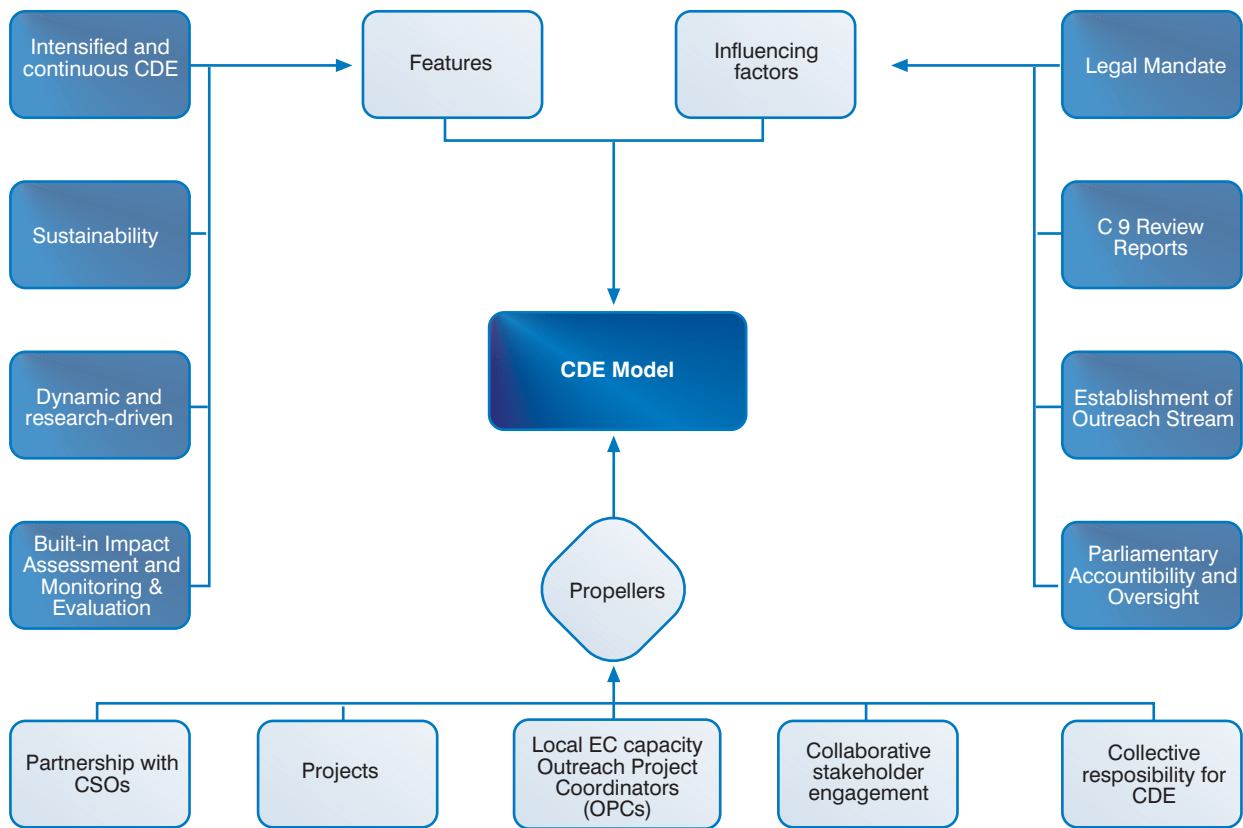
voter education campaign, which had begun during the previous financial year. The following civic education initiatives contributed to the enthusiastic participation of voters:

- Strong voter education campaigns, surveys and stakeholder engagement on multiple platforms, to broaden understanding and participation in electoral democracy by eligible voters.
- Deliberate collaboration with various partners and stakeholders, nationally and locally, increased the pool for voter education and promoted an environment conducive to free and fair elections.
- The Commission's educational materials and the Voter Education illustrated booklets that were funded by the Embassy of Japan were well received by voters in terms of content, cross-over appeal and relevance and played an important role in the voter education and balloting campaigns.

The period following the 2009 elections was dominated by provincial and national review processes. These created insight into the strengths, good practice and challenges encountered in the delivery of the 2009 elections. The review process included separate feedback sessions with stakeholders such as the SABC and the Department of Education. The need for an Impact Assessment Study for Monitoring and Evaluation (M&E) of Civic and Democracy Education (CDE) programmes emerged out of these processes, and was initiated during the period under review.

Of significance was the development of a new model for CDE. The new model seeks to intensify continuous CDE and is underpinned by the understanding that CDE is pivotal during the years between main electoral events. Furthermore the model encourages active and informed meaningful public citizen participation not only before, but after and between elections.

**Figure 1: Civic and Democracy Education Model**



The model originated from the Commission’s national review process, which evaluated the model that was used during the 2009 National and Provincial Elections. The CDE model is reviewed continuously to produce a dynamic and evolving framework that is relevant and responsive to the changing needs and concerns.

## Highlights

### Democracy drama - *Khululeka*

The Commission developed *Khululeka Siya Vota*, a 13-part democracy and voter education drama, in partnership with the SABC, during the period under review. *Khululeka Siya Vota* was rescreened as *Khululeka* during prime time on SABC 1 from April to June 2009 and became one of the SABC's most popular series. The high viewership figures of 3,7 million per episode clearly demonstrated the relevance and success of democracy dramas as vehicles for civic and voter education.

### Outside broadcasts (OBs)

#### Collaboration with tertiary institutions, SABC Education and the Department of Higher Education and Training

Voter and democracy education campaigns were held in various campuses prior to Student Representative Council (SRC) elections, as part of the Commission's objective to:

- Attract and register young voters
- Build political literacy and deeper understanding of electoral democracy
- Enhance democracy in institutions of higher education
- Promote active citizenship and build civic agency.

Of particular interest was the multimedia voter education campaign that was held at the Cape Peninsula University of Technology (CPUT), Bellville Campus. The television talkshow *Shift* was broadcast live from CPUT and attracted 672 336 viewers. In the week prior to the CPUT OB, *Shift* focused on SRC elections in general, attracting 1 128 564 viewers.

#### National Collaborative Seminar

In celebration of Africa Human Rights Day on 21 October 2009, the Commission convened a national seminar on Minorities and Political Participation. The initiative was held in collaboration with the Department of International Relations and Cooperation (DIRCO) in association with the Electoral Commission and several

stakeholders. These included the South African Human Rights Commission, the Department of Justice and Constitutional Development, the Commission for the Promotion and Protection of Cultural, Religious and Linguistic Communities, the University of South Africa (UNISA) and the Human Rights Institute of South Africa (HURISA).

### Collaboration and consultation with disability sector

The Commission is committed to ensuring that people with disabilities have the same opportunities and quality access to its services, information and events as the rest of the community. Accordingly the Commission continues to advance the active participation of persons with disabilities in its civic education activities. In this regard the Commission meets and works with the South African Council for the Blind (SANCB), Blind SA, DEAFSA and other civil society organisations and groups in the sector to explore facilities and voting options available to voters with special needs.

### Outside broadcasts for rural communities

Outside broadcasts were held for rural communities in Nongoma in the KwaZulu-Natal province. *Shift* was also broadcast live and attracted 903 786 viewers.

The success of the OBs demonstrates their high impact and usefulness for voter education and community outreach unequivocally.

## Civic and Democracy Education (CDE) Interventions

Table 12: Annual summary of interventions

| CDE INTERVENTIONS     |                   |                  |                  |                |
|-----------------------|-------------------|------------------|------------------|----------------|
| Province              | Target Allocation | Target Reached   | Difference       | % Difference   |
| Eastern Cape          | 37,359            | 543,702          | 506,343          | 1355,34%       |
| Free State            | 15,678            | 35,137           | 19,459           | 124,12%        |
| Gauteng               | 31,834            | 118,862          | 87,028           | 273,38%        |
| KwaZulu-Natal         | 42,900            | 66,269           | 23,369           | 54,47%         |
| Limpopo               | 37,243            | 69,027           | 31,784           | 85,34%         |
| Mpumalanga            | 15,546            | 131,906          | 116,360          | 748,49%        |
| North West            | 21,566            | 39,970           | 18,404           | 85,34%         |
| Northern Cape         | 22,189            | 22,727           | 538              | 2,42%          |
| Western Cape          | 22,507            | 302,626          | 280,119          | 1244,59%       |
| <b>National Total</b> | <b>246,822</b>    | <b>1,330,226</b> | <b>1,083,404</b> | <b>438,94%</b> |

Table 13: Annual summary of interventions

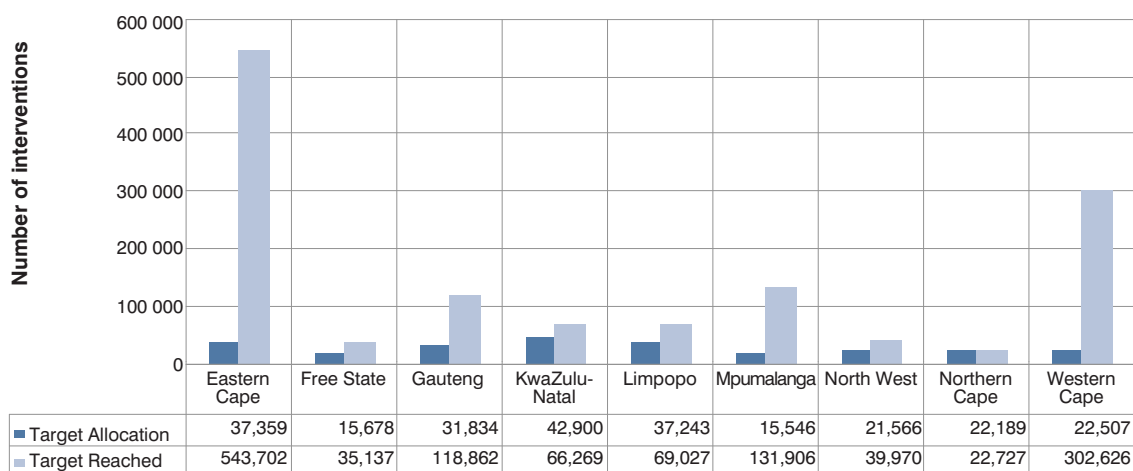


Table 14: Provincial Outreach Activities

| Province             | Highlights  |
|----------------------|---|
| <b>Eastern Cape</b>  | <ul style="list-style-type: none"> <li>- Media and observer briefing on National &amp; Provincial Elections - <i>Daily Dispatch</i>, SABC TV, <i>Umhlobo Wenene</i> and Tru Fm, Independent Newspapers, <i>Die Burger</i>, Algoa Fm, Vukani Community Radio, Khanya FM were briefed</li> <li>- Interaction with learners through the Department of Education educators and subject advisors</li> <li>- Democracy Development seminar attended by traditional leaders, faith-based organisations, persons with disabilities and youth</li> <li>- Mass Voter Education interventions in rural areas in preparation for the Local Government Elections in 2011, where 106 668 interventions were achieved</li> <li>- SRC Colloquium held in March 2010, promoting electoral democracy in Institutions of Higher Learning and FET Colleges</li> </ul> |
| <b>Free State</b>    | <ul style="list-style-type: none"> <li>- Signing of Memorandum of Understanding (MOU) with other constitutional Institutions to enhance implementation of joint activities and projects</li> <li>- Women and Democracy Indaba where all municipalities were represented</li> <li>- Persons Living with Disabilities Summit in preparation for 2011 LGE</li> <li>- Workshop on Public Participation - included presentation by Foundation for Human Rights on their work with CSOs in the promotion of democracy</li> </ul>  |
| <b>Gauteng</b>       | <ul style="list-style-type: none"> <li>- New materials development - LGE booklet for community workshops.</li> <li>- Civic education programmes through the National Community Radio Forum (NCRF).</li> <li>- Collaboration with CSOs in outreach work</li> <li>- Corporate and educational institutions' election management as part of stakeholder liaison</li> </ul>   |
| <b>KwaZulu-Natal</b> | <ul style="list-style-type: none"> <li>- Formation of the KZN Chapter 9 Forum to enhance collaboration for intensified CDE</li> <li>- School debates to encourage structured social dialogue</li> <li>- Public Participation seminar</li> <li>- Celebrating Human Rights Day in Mkhuze</li> <li>- Regular meetings with the media to discuss political trends within the province</li> <li>- Having separate briefings with the mainstream commercial media and community media</li> </ul>  |
| <b>Mpumalanga</b>    | <ul style="list-style-type: none"> <li>- Utilization of the forum of Traditional Authorities through <i>izimbizo</i> for continuous CDE</li> <li>- Continuous joint events on CDE with other constitutional Institutions.</li> <li>- The successful targeted edutainment and wholesale Community Peace March marked the mass mobilization for participatory democracy</li> </ul>  |
| <b>Northern Cape</b> | <ul style="list-style-type: none"> <li>- Chapter 9 and Related Institutions MOU and programme-specific relations</li> <li>- The issuing of the workers' Emsebenzini Circular</li> </ul>   |
| <b>Limpopo</b>       | <ul style="list-style-type: none"> <li>- Established relations and collaboration between EC and different stakeholders (DOE, DPSA, SANCB, DEAFSALP), traditional leaders, Office of the Premier (Special Programmes Unit), constitutional institutions</li> <li>- Voter education roadshows at FET colleges</li> </ul>  |
| <b>North West</b>    | <ul style="list-style-type: none"> <li>- Organised consultative Forum with royal leaders in the province to acknowledge their important role in encouraging and motivating communities to participate in electoral democracy</li> <li>- Interactive consultations with Community Development Workers (CDWs) and Ward Committees in all municipalities</li> <li>- Convened a Mothers' Unions Inter-denominational prayer meeting to pray for the 2011 Local Government Elections as well as IEC staff who will be involved in the running of those elections</li> <li>- Launched a communication awareness and registration drive called "Know your IEC" through 4 traditional villages in Kagisano [NW391] with IEC-branded vehicles, loud hailers and distribution of pamphlets</li> </ul>   |



|                     |  |
|---------------------|--|
| <b>Western Cape</b> | <ul style="list-style-type: none"> <li>- Continuous engagement with community radio stations</li> <li>- Youth Champions for Democracy – engagement with Junior Town Councils and youth groups for municipalities</li> <li>- Developing a strategy with customised content to engage with the youth in the province</li> <li>- MOUs with some institutions for RCLs and SRC elections</li> <li>- Training and relationship-building with ACE educators and WCED on the Schools Voter Education project</li> <li>- Relation-building activities with constitutional institutions in the run-up to the establishment of the C9-Forum</li> </ul> |
|---------------------|--|

### Research and knowledge management

Research and knowledge management activities during the period under review included:

- A Voter Satisfaction Survey or “Exit Poll” on Election Day (22 April 2009), which was linked to the national Voter Participation Survey that was conducted by the Human Sciences Research Council on behalf of the Commission, prior to the 2009 National and Provincial elections.
- An exhibition of videos, photographs and other materials on Election Day, 22 April 2009, at the national Results Operations Centre (ROC). This exhibition was mounted for public viewing to showcase the historic milestones of the country's journey to multiparty democracy and the role of the Commission in this journey.
- A roundtable discussion with external experts to brainstorm the role of Research and Knowledge Management in the promotion of electoral democracy.
- A seminar on Women and Elections to celebrate Women's Month in August, highlighting women's participation in elections in Africa by comparing West African and Southern African perspectives on women's contributions to elections and democracy.

### The Knowledge Centre

During this period, all documented information was filed and preserved in accordance with the National Archives and Record Service Act, 1996 (Act 43 of 1996), the Promotion of Access to Information Act, 2000 (Act 2 of 2000) and the Electronic Communications and Transactions Act, 2002 (Act 25 of 2002).

The targets and actual achievements for the Knowledge Centre during the period under review are as follows:

A total of 66 849 hardcopy documents and 6 884 electronic documents were filed. The photograph collection increased with 3 510 photographs while the library acquired 2 382 electronic and hardcopy books and materials. The Knowledge Centre held a successful Book Fair and Exhibition showcasing more than 200 books and over 300 photographs, as well as election cartoons, ballot papers and Commission memorabilia, including information on records management. The Book Fair and Exhibition marked a series of events to sensitise the Commission's National Office staff on the importance of books, documents and other collections on elections.

### Studies conducted in the year under review

The need to make decisions that are informed by research or systematic investigation based on scientific observations forms the basis of information leading to sound, free and fair election campaigns.

Since the 1999 elections, the Commission commissions research surveys to collect scientific data that assists in the overall planning and management of elections activities. Over the years, these surveys have generated a useful and invaluable database of information, which has not only supported the Commission's readiness for elections but has ensured transparency, thereby enabling the public to gain an insight into the work of the Commission.

The “Exit Poll” or Voter Satisfaction Survey that was conducted on Election Day (22 April 2009) produced a comprehensive report, covering various issues such as the role of elections in a democracy, free and fair elections and the role of the Commission in conducting and managing elections. Much of the information gathered during the survey emanated from questions such as the following in the survey questionnaire:

- How long did voters take to get to the voting station?

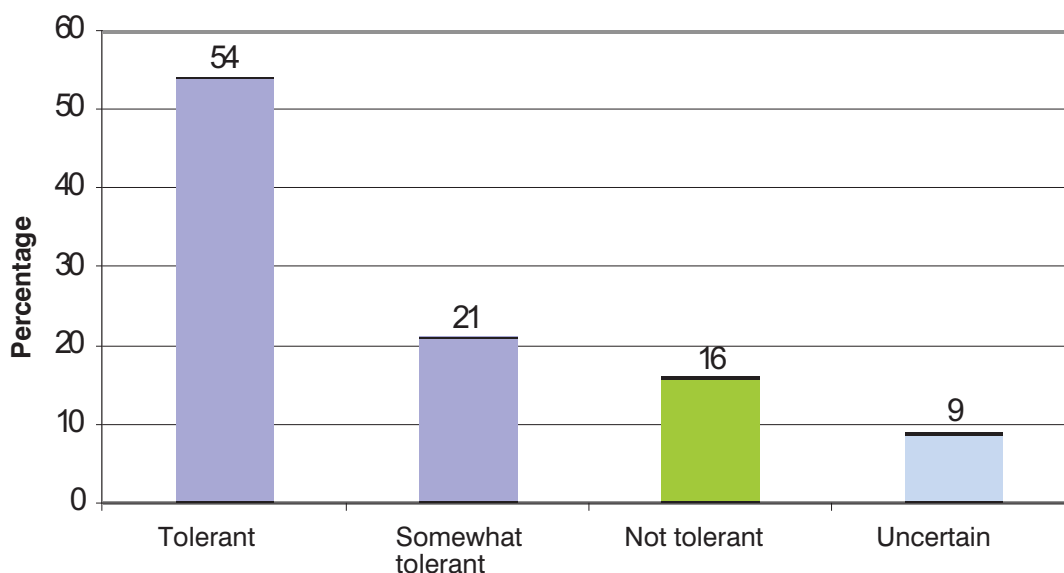
- Questions regarding access to the voting station for persons with disabilities or the elderly (e.g. ramps)
- How long did it take a voter in the queue before voting?
- When did voters decide on their choice of political party?
- Did anyone try to force them to vote for a certain political party?
- Did they change their decision on which party to vote for as a result of this force?
- Was the voting procedure inside the voting station easy or difficult to understand?
- Did they vote for both national and provincial assemblies?

- Satisfaction with secrecy of votes
- Freeness and fairness of the 2009 elections

The respondents were also asked to comment on political tolerance, or the extent to which members of one political party accommodated divergent political views of other parties and generally allowed them the space to campaign, organise and promote their organisations freely without threats of intimidation or hindrance. The respondents' views are reflected in **Figure 2**.

Furthermore, the respondents were asked to comment on the Commission's voter education and communication campaigns and on how the Commission conducted the elections.

**Figure 2:** Percentage of voters on tolerance of political parties during election campaigns (Source: HSRC, 2009)



Regarding methodology, the study was conducted among two groups of respondents, namely South Africans who voted in the 2009 National and Provincial elections, and both local and international elections

observers who were either present at, or who visited the voting station where the researcher was conducting the study. **Table 15** provides further details.

**Table 15: Frequency of sampled voting stations, voters and election observers by province**

| Province      | Sample of voting stations (N) |            | Voter interviews (N) | Election Observers interviews (N) |
|---------------|-------------------------------|------------|----------------------|-----------------------------------|
|               | Realised                      | Sampled    |                      |                                   |
| Western Cape  | 44                            | 44         | 1 536                | 40                                |
| Eastern Cape  | 54                            | 54         | 1 892                | 39                                |
| Northern Cape | 15                            | 15         | 520                  | 6                                 |
| Free State    | 28                            | 28         | 978                  | 23                                |
| KwaZulu-Natal | 71                            | 74         | 2 481                | 93                                |
| North West    | 35                            | 35         | 1 225                | 20                                |
| Gauteng       | 75                            | 75         | 2 630                | 98                                |
| Mpumalanga    | 35                            | 35         | 1 225                | 21                                |
| Limpopo       | 40                            | 40         | 1 395                | 12                                |
| <b>Total</b>  | <b>397</b>                    | <b>400</b> | <b>13 882</b>        | <b>352</b>                        |

Source: HSRC, Voter Satisfaction Survey, 2009

The target population was South African citizens aged 18 or older who were registered to vote in the 2009 National and Provincial elections. Two questionnaires were used in the selected voting stations, one for ordinary voters and another for both local and international election observers. The research methodology included a complex sample design that drew a sample of 400 voting stations. This design included stratification and a multistage sampling procedure utilising the database of Commission voting stations, which was merged with that of Census Enumeration Areas (EAs) so as to identify the location of the voting stations in relation to the EA.

In terms of time taken by voters to reach their respective voting stations during the elections, a summary of the results suggests the following as shown in **Figure 3 (a) and (b)**.

It took 64% of the voters up to 15 minutes to get to the voting station while 22% took between 16 and 30 minutes, 8% 31 to 60 minutes and 6% over one hour. The highest proportions of voters that took the shortest time of up to 15 minutes to get to the voting station were reported in the Western Cape (81%) and in the categories: urban formal (70%), urban informal (61%) and rural formal (60%); young voters (18-24 years old) (66%); Indian/Asian (83%) and post-matric education (70%).

Figure 3 (a): Time taken to get to the voting station by province (Source: HSRC, 2009)

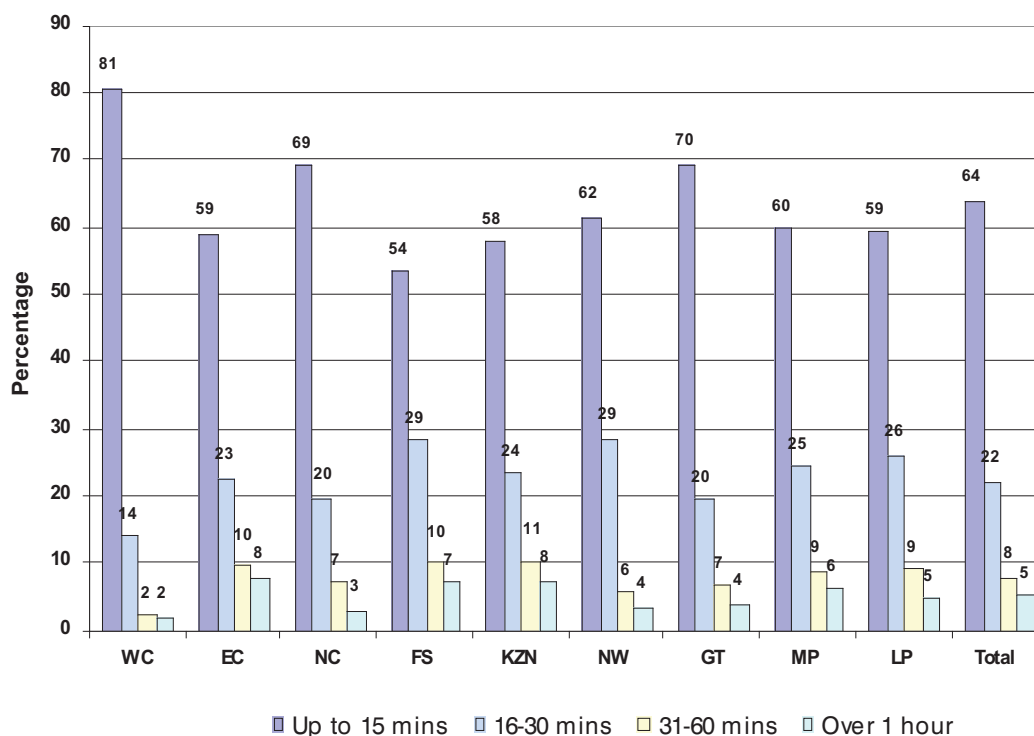
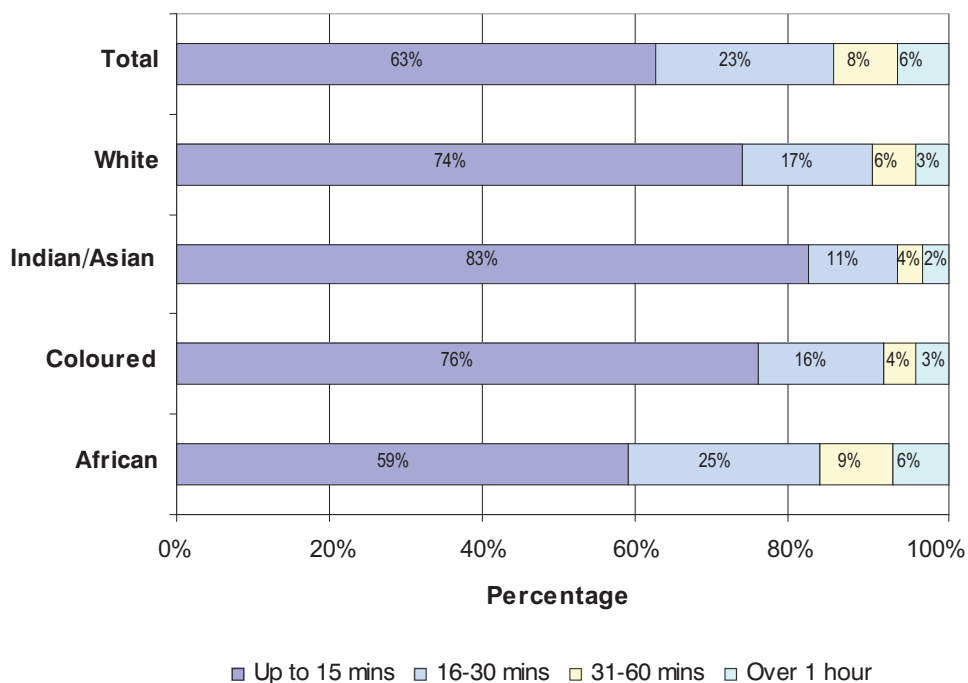


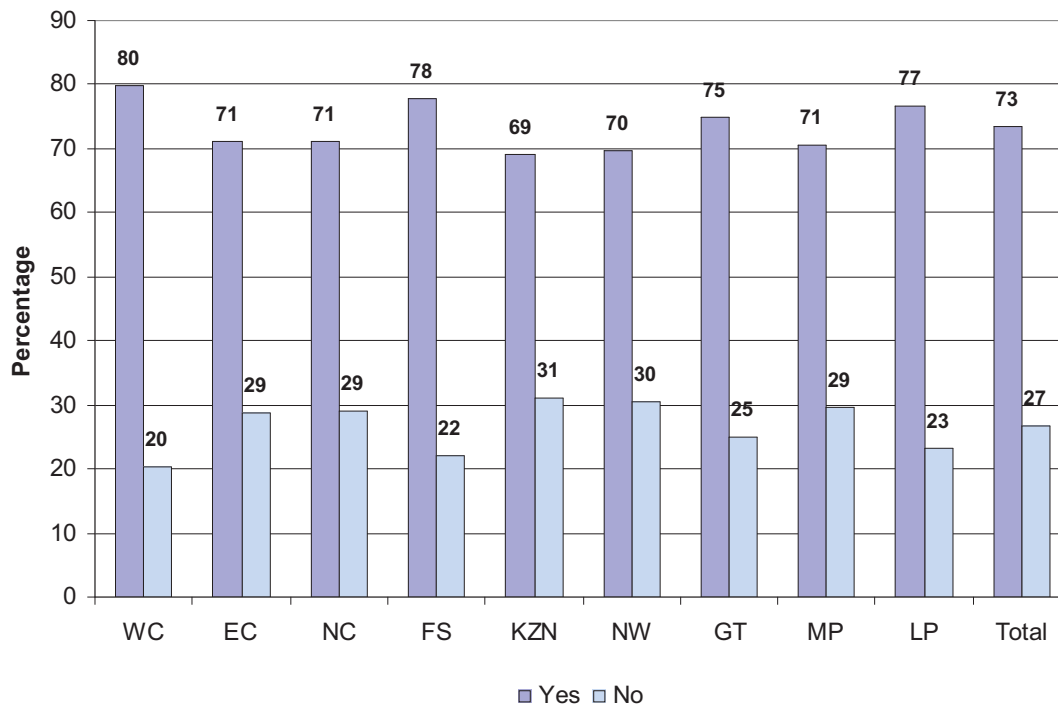
Figure 3 (b): Time taken to get to the voting station by race (Source: HSRC, 2009)



Data in Figure 4 shows that, overall, 73% of the voters found the voting stations easily accessible to persons with disabilities and the elderly while 27% did not. KwaZulu-Natal (69%) and North West (70%), traditional/tribal areas (65%) had relatively lower

proportions of voters than any of the other provinces who found the voting stations easily accessible to persons with disabilities and the elderly.

**Figure 4: Accessibility of voting stations to persons with disabilities or the elderly** (Source: HSRC, 2009)



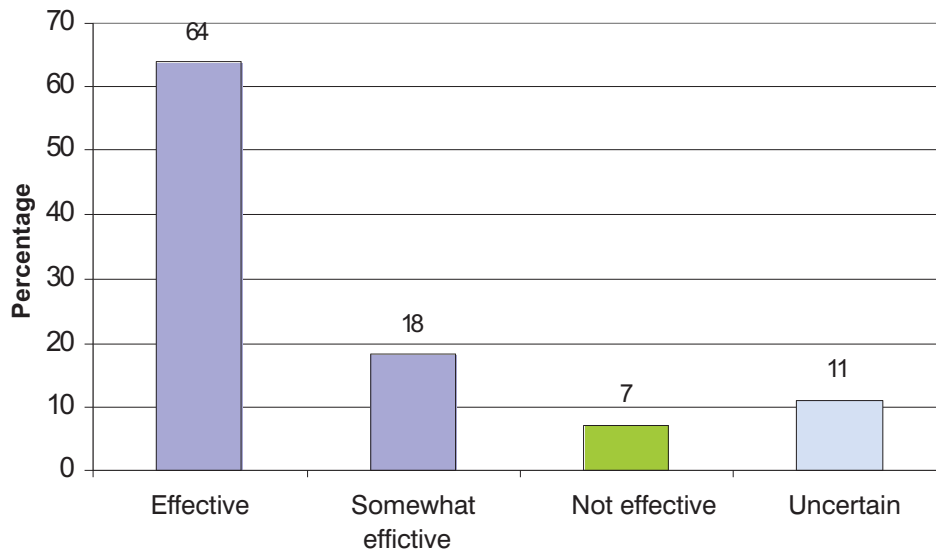
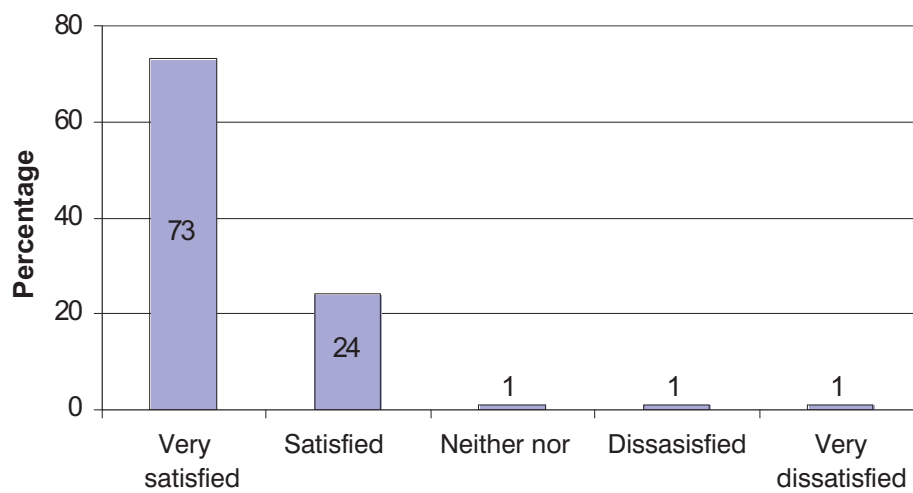
### Exercising one's right to vote freely and without force or hindrance

In terms of whether voters were forced to vote, the majority (96%) reported that no-one at all tried to force them to vote for a certain political party. However, a few reported that someone tried to force them to vote, mostly in the Eastern Cape and Northern Cape (each with 6%) and in urban formal and informal and in traditional/tribal areas. Of those who indicated someone tried to force them to vote for a certain political party, friends and family members (42%) and political parties (35%) were the two frequently cited examples of actors who tried to force them to vote. Among those who said they were forced, North West (68%), Limpopo (57%) and Northern Cape (55%) were the three top provinces

where political party officials or members tried to force voters to vote for a certain political party. On the other hand, Gauteng (65%), Free State (54%) and Mpumalanga (49%) cited friends and family members as having tried to influence them. Political parties were cited frequently in traditional/tribal areas (47%) while friends and family members were cited in urban formal areas (48%). Of those who reported someone had tried to force them, friends and family members were cited most by 58% of the youth (18-24 years) and 46% of the elderly (60 years and above).

### Overall comment on Voter Education Campaigns and the role of the Commission

Generally, the respondents expressed satisfaction with the Commission's voter education campaigns as well as its overall work, as shown in **Figures 5 and 6**.

**Figure 5:** Percentage of voters on effectiveness of education campaigns (Source: HSRC, 2009)**Figure 6:** Satisfaction with level of Commission's service (Source: HSRC, 2009)

## COMMUNICATION

| Goal  | Key performance indicator   | Target  | Performance result       | Reason for variance   |
|---|---|---|--------------------------|---|
| <b>Encourage a culture of interactive employee engagement (media for internal communication)</b>      | Staff briefing sessions - <i>Siyathetha</i>   | <b>4 times</b> Annually   | 2 sessions               | Limited sessions due to election programme  |
|   | Internal Communication Forum  | <b>4 times</b> Annually   | 1 session                | Election communication took priority  |
|   | Payroll Inserts<br>Telephone Voice Messages   | <b>12</b> Inserts annually<br><b>4</b> Messages annually                                | 12 inserts<br>0 messages | Delay in production   |
| <b>Maintain policy guidelines and programme for an interactive and informative portal [Intranet]</b>  | Production schedule to maintain the portal produced   | Number of hits in non-election  | 0                        | Project was deferred due to time constraints and lack of dedicated human resource capacity          |
|   | Counter on the number of visits   | Utility trend map   | 0                        |   |
|   | Counter on popular pages  |   | 0                        |   |
| <b>Develop user guidelines for Vota News</b>  | Editorial team established and trained<br><br>Scheduled editorial meetings<br><br>Detailed content bank maintained                            | <b>11</b> Issues for 2009/10  | 7 issues                 | Project was deferred due to time constraints and lack of dedicated human resources capacity         |
| <b>Provide technical support to departments and provinces; develop project coordination practices</b> | Register of projects and requests from national and provincial departments<br><br>Calendar of meetings, visits, workshops and teleconferences | At least <b>80%</b> of interventions provided to departments and provinces              | 60                       | Due to high activity period during and after elections, we provided limited assistance to provinces |
| <b>Develop policy guidelines for internal protocol</b>  | Protocol guidelines on internal communication   | <b>34</b> for Head Office<br><b>45</b> for Provinces<br><b>237</b> for Regional Offices | 0                        | Project was deferred due to time constraints and lack of dedicated human resources capacity         |
| <b>Review and develop policy guidelines (Website [Internet])</b>                                      | Integrated team to review the current website convened<br><br>Counter on the number of visits and popularity of specific pages                | At least <b>80%</b> of respondents to ongoing surveys                                   | 0                        | Due to elections the website was not reviewed   |

## SECTION 3

| Goal  | Key performance indicator   | Target  | Performance result        | Reason for variance   |
|---|---|---|---------------------------|---|
| <b>Review current Corporate Identity Manual</b>             | Updated Corporate Identity Manual   | <b>34</b> for Head Office<br><b>45</b> for Provinces<br><b>237</b> for Regional Offices                         | 0                         | Project was deferred due to time constraints and lack of dedicated human resources capacity |
| <b>Review and maintain Corporate Partnership Programme</b>  | Programme of Shared Initiatives with Partners developed<br>Calendar of activities                                   | <b>5</b> Partnership initiatives  | 5 partnership initiatives |   |
| <b>Review current policy guidelines (Media Relations)</b>   | Schedule of activities<br>Media Handbook  | <b>9</b> national media training workshops with provincial communication officials                              | 0                         | Project was deferred due to time constraints and lack of dedicated human resources capacity |
|   | Media Resource Centre   |   |                           |   |
|   | Updated database of media contacts  | Print and distribute <b>50</b> electoral information manuals to communication officials attending the workshops | 0                         |   |
|   | Media briefings   | <b>10</b> media briefings annually  | 6 media briefings         |   |
|   | Media releases  | <b>10</b> media releases annually   | 45 media releases         |   |
|   | Scheduled/ requested interviews   | <b>50</b> interviews annually   | 100+ interviews           |   |
|   | Interaction with press clubs  | <b>2</b> meetings annually  |                           |   |
| Media analysis tracking system                              | <b>12</b> media analysis reports annually   | 12 media analysis reports   |                           |   |
| <b>Develop policy guidelines for external newsletter</b>    | Distribution list developed<br>production schedule compiled<br>Editorial Team established<br>Content bank developed | <b>4</b> issues per year  | 0 issues                  | Project was deferred due to time constraints and lack of dedicated human resources capacity |
| <b>Compile production schedule for various publications</b> | Commission's Corporate Profile published  | <b>25 000</b> copies printed  | 0                         | Project was deferred due to time constraints and lack of dedicated human resource capacity  |
|   | Annual Reports produced   | <b>3 000</b> copies   | 2 000                     | Print run reduced as cost-saving measure  |
|   | Conference Reports published  | <b>2 000</b> copies   | 0                         | No conference held  |
|   | Elections Report  | <b>3 000</b> copies   | 3 000                     |   |



| Goal   | Key performance indicator  | Target   | Performance result      | Reason for variance                                       |
|--|--|--|-------------------------|---|
|  | Ad hoc reports published   | 2 000 copies   | 0                       | Reports were not printed. Only placed on website and CDs. |
| <b>Ensure efficient and structured planning of key Commission events</b> | Protocols for events developed<br>Calendar of Events   | 9 provincial events  | 9                       |   |
| <b>Establish an efficient Call Centre</b>                                | Information fact sheet compiled<br>Well-trained staff<br>100% of agents accredited prior to working on the lines (voter registration and voting content, and use of software application – Maptitude)<br>Policy guidelines developed | 50 fact sheets for communication staff<br>IVR directly linked to toll-free number for public to access relevant information/messages<br>6 messages annually<br>25 policy guideline documents | 50<br><br><br>0         | Hardware could not be used after elections                |
| <b>Develop policy guidelines (Advertising and Promotions)</b>            | Implementation plan compiled<br>Strategy for advertising schedule developed  | 5 Mini-campaigns utilising all SABC PBS (stations)<br>80 Ads placed on community radio<br>80 Ads placed in community print   | 5<br><br>120<br><br>250 |   |

### Internal and external communication

The Commission had aimed to conduct four staff briefing sessions and to produce 11 issues of its internal newsletter. During the period under review two staff briefing sessions took place and seven issues of its newsletter were published. The Commission set itself a target of holding 10 media briefings. During this period, the Commission hosted six media briefings. The Commission aimed to establish an efficient public call centre, where the dropped call rate would be less than 3%. However a dropped call rate of 4,6% was achieved.

The Commission's focus in the first part of the year under review was on the implementation of the final phase of the elections campaign, media relations and coordination on Election Day as well as during the period leading to the announcement of the results. This period also covers the "thank you" campaign for the 2009 National and Provincial Elections.

The Commission spent the second part of the year on the planning and implementation of a tertiary campus

campaign aimed at entrenching electoral democracy through "swagg elections". The main thrust of this campaign was to highlight the importance of participation of the youth, especially women on campus, in electoral democracy.

"Swagg elections" were held on 15 campuses countrywide to elect the "coolest person on the campus" and took place over three days. These elections were characterised by a simulated voting process including campaigning by candidates, registration of voters, registration of candidates and, finally, elections and the announcement of the results.

Short campaigns were also undertaken to profile the Commission during youth and women's months. One radio advert in four of the official languages was aired on SABC regional and independent radio stations for Youth Month. A radio advert was produced and aired during Women's Month while a print advert was published in five Sunday newspapers ahead of Women's Day.

These campaigns were all supported by programmes that sought to profile the mandate of the Commission. The Commission encourages a culture of interactive employee engagement through regular forums. *Siyathetha* is a forum that is convened by the Chief Electoral Officer to encourage employees to debate issues of significance to the Commission.

Through this forum senior management has been able to share the vision and strategic plan of the organisation in an informal environment where staff members are also able to provide feedback to management. Two *Siyathetha* sessions were convened during the period under review.

*Vota News* is the internal staff newsletter for the Commission where employees are allowed to share information. Employees across the organisation are able to write about their success stories and challenges. Seven editions of this publication were produced during the period under review.

Successful programmes and events that were hosted during the year under review include:

#### **Women's Month celebrations**

The Commission hosted a seminar on the Participation of Women in Elections (1999-2009) during Women's Month. The keynote address was given by Ms Soyata Mniga, member of the African Commission in Human and Peoples' Rights and the Special Rapporteur on the Rights of Women in Africa. The seminar attracted delegates from across sectors of the economy. The theme of the seminar was based on the data that the Commission has compiled on the participation of women in elections from 1999 to 2009. The data covers representation of women on the voters' roll, women in Parliament and as councillors, as well as women employed as electoral staff and the participation of women in the 2009 National and Provincial Elections.

Women's participation in South Africa's multiparty democracy remains the foundation stone upon which the country's electoral democracy rests. Despite occasional downward spirals, data from the 1999 to 2009 elections shows a continual trend of consistent improvement and overall progress on women's role in politics.

#### **Youth Ambassador Programme**

The Commission's Youth Ambassador Programme (YAP) is designed to raise advocates for South African elections and democracy and to empower the youth to become change agents for electoral democracy.

By exposing young people in all nine provinces to the work done by the organisation and the realities of democracy, the Commission hopes to generate awareness and further develop patriotic young South Africans who are not only compassionate about issues of education, development and job creation, but who also seek opportunities to make positive changes through democracy.

Youth ambassadors come from all sectors of the community and have to be between the ages of 18 and 35. Presently youth ambassadors represent the following sectors:

**Business:** Linda Ntuli, Vuyo Jebe, Simi Siwisa

**Media:** Jonathan Ramotsei, Kopano Marumo, Lebo Mashile, Lungile Radu, Zama Ngcobo

**Music:** Danny K, Louise Carver, Refiloe Tsotetsi, Thomas Msengana

**Sport:** Brett Stuart, Natalie du Toit

Youth ambassadors have been using their individual platforms to promote the Commission and its mandate. They did sterling work in particular to create awareness for the National and Provincial Elections.

#### **Media Relations**

The Commission bears the responsibility of communicating with large and widely dispersed communities, reaching voters and potential voters wherever they may reside. The Commission's media engagement programme at national and provincial levels has ensured that media, locally and internationally, understand the mandate of the Commission. A lot of effort is being made to encourage mainstream community media reporting on electoral democracy in partnership with provincial offices of the Commission.

During the year under review, 45 media releases were issued, six media briefings undertaken and one national media workshop held. More than 100 interviews were conducted with local and international media.

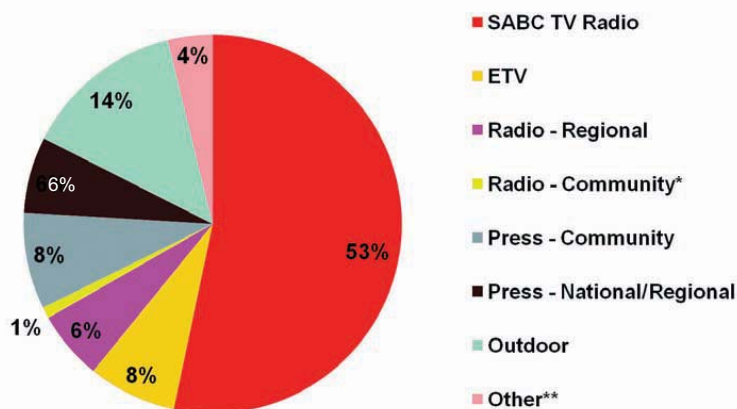
#### **Media Monitoring**

Monitoring media coverage of the Commission across all media platforms is an intrinsic part of its media strategy.

Media reports enable the Commission to respond to areas of its mandate and provide relevant information

about its work. This service has allowed the Commission to bridge the information gap and thus become the voice of authority on electoral democracy. A total of 12 media analysis reports were delivered in the year under review. The reports are used by the Commission to assess media coverage on the

Commission and its mandate and to forge a cordial relationship with the media. The graph below is a footprint of the media coverage for the period under review.



### Publications

The Commission produces publications on a regular and ad hoc basis. During the period under review 2 000 copies of the 2009 Annual Report and 3 000 copies of the 2009 Elections Report were printed and distributed to Parliament and other relevant stakeholders.

### Public Call Centre

In preparation for the 2009 National and Provincial Elections, the Commission established an interactive, automated and computerised voice response Call Centre to allow potential and eligible voters to clarify any questions they may have with respect to voter registration, education and voting processes to enable meaningful participation in the elections.

Voters had the opportunity to obtain information in their preferred language and multilingual agents were employed to cater for all 11 official languages. The Call Centre handled 78 546 calls.

### Campaigns (Advertising and Promotions)

During the period under review, the Commission produced an advertising campaign that focused on Election Day and the resultant “thank you” campaign. The production covered:

- Two radio adverts, which were produced in all 11 official languages
- 555 billboards, which were placed across the country
- One television commercial, which was produced and broadcast on all SABC television channels, e.tv and their 24-hour news channel as well as community television
- Scrollers, which were produced and broadcast to support the television commercial
- An online presence with the promotion of the SMS number and placing of the elections advert on YouTube

A total of 837 543 communication interventions were recorded which covered all media platforms. The Commission utilised SABC television, radio and online, e.tv, community television, commercial radio, community radio and print media.

The elections and “thank you” campaign messages were also carried on billboards, train-station platform boards, community and campus media, wall murals, screens in post offices countrywide and taxi television. Table 16 summarises the exposure from media platforms utilised:

**Table 16: Total media exposure: Television**

| TYPE               | REGIONS                           | Total Exposure |
|--------------------|-----------------------------------|----------------|
| SABC TV            | National                          | 630 spots      |
| E-tv/esat          | National                          | 620 spots      |
| Soweto TV and CTTV | Soweto and Cape Town community TV | 213 spots      |

**Total Media Exposure: Radio**

| TYPE            | REGIONS                    | STATIONS   |
|-----------------|----------------------------|--|
| SABC            | National                   | All SABC public and commercial radio stations  |
| CAMPUS          | 12 universities nationally | UCT, Stellenbosch, CPUT - Cape Town, Rhodes, NMMU - North and South, UKZN – Westville, UFS, Wits University, TUT, Pretoria, University NW - Potchefstroom, University of Fort Hare |
| COMMUNITY RADIO | National                   | 108 community stations   |
| REGIONAL RADIO  | All                        | Radio 702, Highveld, Algoa, Kaya, YFM, Heart, Gagasi, Classic, Cape Talk, Capricorn, OFM, KFM, Jacaranda and East Coast  |

**Total Media Exposure: Other platforms**

| TYPE                      | REGIONS                                 | Total Exposure                           |
|---------------------------|---|--|
| Taxi TV                   | 1 000 Taxis nation-wide                 | 36 x 30 sec commercials per day per taxi |
| Post Office screens       | National in post offices on 100 screens | 30 sec commercial every 7 min            |
| Alive Advertising         | 31 Sites                                | 10 sec x 240 times a day                 |
| Campus TV                 | 18 Universities nationwide              | 28 spots per day                         |
| Campus scrolling displays | 24 Universities nationwide              | 72 scrolling displays                    |

## Strategic Objective 7

Developing and maintaining effective business processes (in respect of legal services, human resources management, support services, financial management and information and communication technology services) in order to ensure the effective functioning of the Commission

## LEGAL SERVICES

| Goal  | Key performance indicator  | Target  | Performance result | Reason for variance |
|---|--|---|--------------------|---------------------|
| <b>Revise legislation and draft proposed amendments</b> | Legislation amended and aligned with the Commission's organisational requirements                  | Submit first draft within 14 days after receiving the instruction.<br>Collate and publish legislation that has been amended and approved by the Commission <b>within 5 days</b> of receipt thereof.<br>Collate and publish relevant legislation in usable "pocket book"   | Achieved           |                     |
| <b>Draft and publish legal notices</b>                  | Procedural compliance with the electoral timetable   | Draft legal notices with regard to national, provincial, local government elections and by-elections <b>within 5 days</b> of having received the request  | Achieved           |                     |
|   |  | Publish notices that have been amended and approved by the Commission <b>within 5 days</b> of receipt thereof   | Achieved           |                     |
| <b>Institute and defend legal proceedings</b>           | Judicial disputes against the Commission resolved.<br>Dispute on behalf of the Commission resolved | The Commission's attorneys need to be appointed and briefed <b>within ten (10) days</b> of receiving a summons against the Commission.<br>The Commission's attorneys need to be briefed <b>within fourteen (14) days</b> of having received instructions to commence action against a party and/or after the Commission has discovered that certain of its rights had been infringed. | Achieved           |                     |
| <b>Draft and vet contracts</b>                          | Commission's interests protected   | General contracts submitted for signature by Legal Services in <b>approximately ten (10) days</b><br>IT contracts are submitted for signature in <b>approximately fourteen (14) days</b>  | Achieved           |                     |
| <b>Provide legal advice and opinions</b>                | Appropriate legal advice and opinions dispensed  | Internal legal opinions to be submitted to the relevant user department <b>within 10 days</b> after having received the request.<br>External legal opinions to be submitted to the relevant user department <b>within 14 days</b> after having received the request   | Achieved           |                     |

The Commission produced Election Legislation Pocketbooks that contains all the prescripts relating to the Electoral Commission. These pocketbooks served as quick reference guides by officials, voting officers and stakeholders.

During the year under review, the Commission published 16 election notices relating to the 2009 National and Provincial elections.

The Commission was involved in 12 legal cases. A total of 11 of these involved vacancies and replacement

of municipal councillors. A major case, which is yet to be heard and decided, involves the constitutionality of section 55 of the Local Government: Municipal Electoral Act of 2000, and was instituted by the Police and Prisons Civil Rights Union (POPCRU) in the North Gauteng High Court.

A total of 323 contracts and lease agreements were received, analysed and submitted for further action or approval for signature.

### HUMAN RESOURCES MANAGEMENT

| Goal  | Key performance indicator  | Target   | Performance result   | Reason for variance  |
|---|--|--|--|--|
| <b>Recruit and select staff in accordance with organisational and electoral event requirements</b>                    | Human resources provided to support the strategic objectives, programmes and activities of the Commission. Proficient electoral staff provided and remunerated for delivery of elections | Ensure that at least <b>50%</b> of total number of approximately <b>170</b> vacancies are filled   | 57%  |  |
| <b>Monitor the implementation of the approved Employment Equity (EE) plan</b>   | Compliance with the EE plan. Commission meeting its numerical and non-numerical targets. Reporting to Department of Labour (DoL) as per EEA requirements                                 | Vacancies filled as per the numerical targets. Tri-annual Employment Equity Committee (EEC) monitoring events arranged for <b>Apr/May, Sept/Oct</b> and <b>Feb/March</b> EEC meeting to finalise EE report to be held for submission of report to DoL on <b>1 October 2009</b> | See table 18.<br><br>EEC met twice during the reporting period. Report was finalised and submitted to DoL on 1 October 2009. | Low staff turnover and remaining vacancies not yet filled. Due to heightened elections activities a third meeting could not be held. |
| <b>Develop and review supportive human resources policies in line with relevant legislation and good HR practices</b> | Substantive and procedurally fair employee relations processes and policies reviewed and implemented. Best HR practices in place to lead the organisation                                | Review <b>5</b> key policies in the Employee Policy Manual. Develop <b>4</b> new policies in support of best HR practices and benchmarking   |  | Delay in the appointment of Policy Committee to spearhead process due to heightened elections activities                             |

## SECTION 3

| Goal  | Key performance indicator   | Target   | Performance result   | Reason for variance |
|---|---|--|--|---------------------|
| <b>Implement performance management for the organisation</b>                                      | Performance assessments done for all employees. Inputs generated and staff development gaps identified for the development of a WPSP. Best performers identified for reward | Goals set and performance agreements for <b>all employees</b> entered into and signed by the end of April 2009   | Goals set and performance agreements for all employees entered into and signed by the end of April 2009. Gaps analysed and consolidated in Staff Development and Training Plan |                     |
| <b>Administer payroll and maintain administrative processes</b>                                   | Effective human resources. management systems and benefits maintained   | Timeous processing of payment of all categories of staff and maintain benefits in respect of relevant legislation and policies                                   | Payment of all categories of staff as well as maintenance of benefits in respect of relevant legislation and policies processed in a timely manner                             |                     |
| <b>Develop and implement a programme to assist employees with their well-being and safety</b>     | Healthy employees   | Provide free, confidential, voluntary, professional, support to employees <i>via</i> telephone service, face-to-face contact sessions and website access         | 18 employees directly assisted via the Employee Assistance Programme   |                     |
| <b>Manage employee relations in compliance with relevant legislation, policies and procedures</b> | Legislative compliance. Line managers & supervisors equipped to handle labour matters. Stable workforce   | Provide labour-related support to employees and employer. Guide employees and employer on corrective actions to be taken. Represent employer in cases            | Refer to Table 30 for breakdown of cases dealt with during the financial year  |                     |
| <b>Manage compensation and benefits function</b>  | Employer of choice established  | Salary structure benchmarked for the organisation  | New salary structure benchmarked against the Public Service implemented on 1 April 2009  |                     |
| <b>Utilise the Centre for Elections Learning as a training venue</b>                              | Optimal utilisation of training venue   | Coordinate and administer organisational training programmes and confirm with relevant line managers <b>at least one week prior</b> to utilization of the centre | <b>17</b> training events conducted at the centre  |                     |
|   |   | Prepare the centre for training events <b>within two days</b> prior to the event   | Centre was managed efficiently<br>A schedule kept by SAO and centre was prepared as per plan   |                     |



## SECTION 3

| Goal  | Key performance indicator   | Target                                | Performance result  | Reason for variance   |
|---|---|---------------------------------------|---|---|
| <b>Revise user manuals and support materials for different electoral activities</b>             | User-friendly material developed and implemented to empower electoral trainers                        | Not applicable                        | 1 Registration Guide and 1 Registration Diary revised   |   |
|   |   | Not applicable                        | Not applicable  | Deferred to 2010/11 in preparation of the municipal elections |
| <b>Revise user manuals and support materials for different electoral activities (continued)</b> | User-friendly material developed and implemented to empower electoral trainers (continued)            | Not applicable                        | 1 <sup>st</sup> Training module developed in draft form   |   |
| <b>Train lead trainers for registration and elections</b>                                       | Expert lead trainers trained on facilitation skills and content                                       | Not applicable                        | Not applicable  | Deferred to 2010/11 in preparation of the municipal elections |
| <b>Manage lead trainers' training of provincial trainers (EPCs, APCs, non-IEC trainers)</b>     | Experts trained in facilitation skills as well as registration and election regulations and processes | Not applicable                        | Not applicable  | Deferred to 2010/11 in preparation of the municipal elections |
| <b>Manage provincial trainers' training of registration staff</b>                               | Trained registration staff  | Not applicable                        | Not applicable  | Deferred to 2010/11 in preparation of the municipal elections |
| <b>Manage presiding and deputy presiding officer training of voting staff</b>                   | Trained voting staff  | <b>610</b> election officials trained | The following categories of people were trained:<br>59 257 electoral staff members<br>484 SANDF members<br>924 SAPS members<br>4 830 political party agents | Target exceeded because of NPE taking place in 2009/10        |
| <b>Revise E-Learning Programme</b>  | E-Learning facility available to party agents   | Not applicable                        | Not applicable  | Deferred to 2010/11 in preparation of the municipal elections |

## SECTION 3

| Goal  | Key performance indicator   | Target   | Performance result   | Reason for variance   |
|---|---|--|--|---|
| <b>Conduct and administer skills analyses</b>       | Competency profile for the organisation developed                 | Conduct training and development needs analysis of staff members <b>quarterly</b>  | Individual Development Plans used to identify and analyse the training needs   |   |
| <b>Coordinate and administer skills development</b> | Skills as required by the organisation developed                  | Administer bursary grants and studying qualifications of choice by <b>end of April and end of September</b>  | 10 applications were approved by 30 April 2009<br>32 applications were approved by September 2009<br>76 applications were approved by December 2009 for 2010 academic year |   |
|   |   | Arrange management development programmes <b>within a week</b> of application and approval   | 160 staff members were put on four Management Development programmes   | Planning and coordination takes at least a month before implementation                |
|   | Opportunities for the development of skills created               | Administer attendance of short courses, seminars, conferences, symposiums and workshops – [non-credit learning] <b>within a week</b> of application and approval | 201 employees attended various short courses and 5 employees attended job specific conferences   |   |
|   | Opportunities for the development of skills created (cont.)       | <b>440</b> training and development interventions  | A total of 478 personal development plans were compiled  |   |
|   | Performance gaps attended to as per the agreements of all parties | Administer short courses and skills programmes [with credits] <b>within a week</b> of application and approval   | 300 staff members put on a programme with credits  |   |
|   |   | Administer the membership of professional institutions <b>within a week</b> of application and approval  | 5 applications approved and fees duly paid to institutions   |   |
|   |   | Arrange and administer in-house training sessions for relevant line managers <b>within a week</b> of request   | 3 in-house training sessions targeting managers were planned and implemented   | The second training session on Labour Law was postponed due to conflicting priorities |

## SECTION 3

| Goal  | Key performance indicator  | Target   | Performance result  | Reason for variance  |
|---|--|--|---|--|
|   |  | Administer training needs stemming from Performance Management gap analysis as well as Employment Equity Plan targets <b>at least 20 days after</b> the formal performance assessment sessions | 444 personal Development Plans were compiled and forwarded to respective provinces  | Training interventions based on immediate needs rather than EE targets   |
|   |  | Administer training needs stemming from the Employment Equity Plan targets <b>within two weeks</b> after confirmation of targets by the Employment Equity Committee                            | 4 employer - initiated training interventions   | Interventions based on immediate needs rather than EE targets  |
| <b>Administer and support the Training and Skills Development Committee</b> | Work Place Skills Plan developed in compliance with the Skills Development legislation | Identify strategic priorities to act upon for the current financial year by end of <b>June</b>   | 4 training priorities conducted:<br>Finance for non-Financial managers, Labour Law training, Project Management, Risk Management training | 1 training priority was deferred   |
|   |  | Submission of WPSP to PSETA by March 2010  | Plan was not submitted to the SETA  | PSETA still being reorganised  |
| <b>Maintain the internship programme</b>                                    | Skills levels of individuals raised  | Administer the appointment of interns <b>within two weeks</b> after request from line managers   | 8 interns recruited   | 2 applications not approved within two weeks of request due to the delay in submission of supporting information |
|   |  | Arrange mentoring <b>monthly</b> as per the programmes submitted and assessed by relevant line managers  | Not achieved  | Templates for assessment developed, but mentors were not trained due to lack of capacity                         |
|   |  | Compile <b>comprehensive report within two weeks</b> after completion of internship programmes   | Two reports submitted   | Internship period straddles two financial years  |

The Commission's current permanent staff establishment consists of 806 posts. This excludes seven positions that were carried over to the establishment due to operational requirements. According to the performance targets regarding "the recruitment and selection of staff in accordance with organisational and electoral event requirements", 719 positions were filled at the end of March 2010, resulting in 94 vacancies (illustrated in **Table 17**).

The Commission was challenged to meet the performance target of at least 50% of the approximately

170 vacancies due to resignations, internal movement of staff through promotion (as set out in **Table 20**), adherence to its **Employment Equity Plan**, and availability of its management as a result of heightened activities vis-à-vis time-consuming permanent recruitment processes. The Commission managed to fill 97 positions at the end of March 2010, which constitutes 57% of the planned 170 posts. The services of 21 employees were terminated as set out in **Table 20**. Most of the remaining vacancies were, however, filled with fixed-duration contracted employees.

**Table 17: Positions - March 2010**

| Component                                  | Rank                 | Approved posts | Posts filled | Vacant posts |
|--|----------------------|----------------|--------------|--------------|
| Office of the CEO                          | CEO                  | 1              | 1            | 0            |
|  | Manager              | 2              | 2            | 0            |
|  | Senior Admin Officer | 1              | 1            | 0            |
| Commission Services                        | Manager              | 1              | 1            | 0            |
|  | Deputy Manager       | 1              | 0            | 1            |
|  | Senior Admin Officer | 2              | 2            | 0            |
| <b>DCEO Corporate Services</b>             | Deputy CEO           | 1              | 1            | 0            |
|  | Senior Admin Officer | 1              | 1            | 0            |
| IT Operations                              | 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              | 2            | 3            |
|  | Assistant Admin Off  | 2              | 1            | 1            |
| Chief Financial Officer                    | Senior Manager       | 1              | 1            | 0            |
|  | Manager              | 3              | 3            | 0            |
|  | Deputy Manager       | 4              | 2            | 2            |
|  | Assistant Manager    | 3              | 2            | 1            |
|  | Senior Admin Officer | 7              | 5            | 2            |
|  | Admin Officer        | 19             | 15           | 4            |
|  | Assistant Admin Off  | 2              | 1            | 3            |
| HR, Training, Skills Development & Support | Senior Manager       | 1              | 1            | 0            |
|  | Manager              | 3              | 3            | 0            |
|  | Deputy Manager       | 7              | 6            | 1            |

## SECTION 3

**Table 17: Positions - March 2010 (cont.)**

| Component  | Rank                    | Approved posts | Posts filled | Vacant posts |
|--|-------------------------|----------------|--------------|--------------|
|  | Assistant Manager       | 4              | 2            | 2            |
|  | Senior Admin Officer    | 4              | 4            | 0            |
|  | Admin Officer           | 7              | 5            | 2            |
|  | Assistant Admin Off     | 3              | 3            | 0            |
|  | Senior Admin Clerk      | 2              | 2            | 0            |
|  | Admin Clerk             | 7              | 7            | 0            |
|  | Messenger/Cleaner       | 10             | 10           | 0            |
| Legal Services                                   | Manager                 | 1              | 1            | 0            |
|  | Deputy Manager          | 1              | 1            | 0            |
|  | Assistant Admin Officer | 1              | 1            | 0            |
| <b>DCEO Electoral Matters</b>                    | Deputy CEO              | 1              | 1            | 0            |
|  | Senior Admin Officer    | 1              | 1            | 0            |
| Logistics & Infrastructure                       | Senior Manager          | 1              | 1            | 0            |
|  | Manager                 | 2              | 2            | 0            |
|  | Deputy Manager          | 2              | 2            | 0            |
|  | Assistant Manager       | 2              | 2            | 0            |
|  | Senior Admin Officer    | 2              | 0            | 2            |
|  | Assistant Admin Officer | 2              | 2            | 0            |
| Electoral Matters                                | Senior Manager          | 1              | 1            | 0            |
|  | Manager                 | 2              | 2            | 0            |
|  | Deputy Manager          | 1              | 1            | 0            |
|  | Assistant Manager       | 2              | 2            | 0            |
|  | Senior Admin Officer    | 2              | 2            | 0            |
|  | Assistant Admin Officer | 2              | 1            | 1            |
| <b>DCEO Outreach</b>                             | Deputy CEO              | 1              | 1            | 0            |
|  | Senior Admin Officer    | 1              | 1            | 0            |
| Communication                                    | Manager                 | 1              | 1            | 0            |
|  | Deputy Manager          | 2              | 1            | 1            |
|  | Assistant Manager       | 1              | 0            | 1            |
|  | 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              | 1            | 0            |
|  | Deputy Manager          | 1              | 1            | 0            |
|  | Assistant Manager       | 1              | 1            | 0            |
|  | Senior Admin Officer    | 1              | 0            | 1            |

Table 17: Positions - March 2010 (cont.)

| Component                                     | Rank                           | Approved posts | Posts filled | Vacant posts |
|---|--------------------------------|----------------|--------------|--------------|
|   | Assistant Admin Off            | 1              | 1            | 0            |
| <b>Provincial electoral staff: Limpopo</b>    | Senior Manager                 | 1              | 1            | 0            |
| Provincial                                    | Manager                        | 1              | 1            | 0            |
|   | Deputy Manager                 | 1              | 1            | 0            |
|   | Assistant Manager              | 4              | 4            | 0            |
|   | Senior Admin Officer           | 10             | 10           | 0            |
|   | Admin Officer                  | 1              | 1            | 0            |
|   | Assistant Admin Off            | 1              | 1            | 0            |
|   | Messenger/Cleaner              | 1              | 1            | 0            |
| Local   | Office Supervisor              | 5              | 5            | 0            |
|   | Electoral Project Coordinator  | 44             | 42           | 2            |
| <b>Provincial electoral staff: Free State</b> | Senior Manager                 | 1              | 1            | 0            |
| Provincial                                    | Manager                        | 1              | 1            | 0            |
|   | Deputy Manager                 | 1              | 1            | 0            |
|   | Assistant Manager              | 4              | 4            | 0            |
|   | Senior Admin Officer           | 10             | 9            | 1            |
|   | Admin Officer                  | 1              | 1            | 0            |
|   | Assistant Admin Off            | 1              | 1            | 0            |
|   | Messenger/Cleaner              | 1              | 1            | 0            |
| Local   | Office Supervisor              | 2              | 2            | 0            |
|   | *Electoral Project Coordinator | 31             | 29           | 3            |
| <b>Provincial electoral staff: Mpumalanga</b> | Senior Manager                 | 1              | 1            | 0            |
| Provincial                                    | Manager                        | 1              | 1            | 0            |
|   | Deputy Manager                 | 1              | 1            | 0            |
|   | Assistant Manager              | 4              | 3            | 1            |
|   | Senior Admin Officer           | 8              | 8            | 0            |
|   | Admin Officer                  | 1              | 1            | 0            |
|   | Assistant Admin Off            | 1              | 1            | 0            |
|   | Messenger/Cleaner              | 1              | 1            | 0            |
| Local   | Office Supervisor              | 2              | 2            | 0            |
|   | Electoral Project Coordinator  | 33             | 33           | 0            |
| <b>Provincial electoral staff: North West</b> | Senior Manager                 | 1              | 1            | 0            |
| Provincial                                    | Manager                        | 1              | 1            | 0            |
|   | Deputy Manager                 | 1              | 1            | 0            |
|   | Assistant Manager              | 4              | 3            | 1            |

Table 17: Positions - March 2010 (cont.)

| Component  | Rank                          | Approved posts | Posts filled | Vacant posts |
|--|-------------------------------|----------------|--------------|--------------|
|  | Senior Admin Officer          | 9              | 7            | 2            |
|  | Admin Officer                 | 1              | 0            | 1            |
|  | Assistant Admin Off           | 1              | 1            | 0            |
|  | Messenger/Cleaner             | 1              | 1            | 0            |
| Local  | Office Supervisor             | 0              | 0            | 0            |
|  | Electoral Project Coordinator | 36             | 36           | 0            |
| <b>Provincial electoral staff: Northern Cape</b> | <b>Senior Manager</b>         | 1              | 1            | 0            |
| Provincial                                       | Manager                       | 1              | 1            | 0            |
|  | Deputy Manager                | 1              | 1            | 0            |
|  | Assistant Manager             | 4              | 2            | 2            |
|  | Senior Admin Officer          | 10             | 10           | 0            |
|  | 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             | 33           | 2            |
| <b>Provincial electoral staff: KwaZulu-Natal</b> | <b>Senior Manager</b>         | 1              | 1            | 0            |
| Provincial                                       | Manager                       | 1              | 1            | 0            |
|  | Deputy Manager                | 2              | 2            | 0            |
|  | Assistant Manager             | 6              | 6            | 0            |
|  | Senior Admin Officer          | 15             | 15           | 0            |
|  | Admin Officer                 | 2              | 2            | 0            |
|  | Assistant Admin Off           | 2              | 1            | 1            |
|  | Messenger/Cleaner             | 1              | 1            | 0            |
| Local  | Office Supervisor             | 5              | 5            | 0            |
|  | Electoral Project Coordinator | 89             | 81           | 8            |
| <b>Provincial electoral staff: Eastern Cape</b>  | <b>Senior Manager</b>         | 1              | 1            | 0            |
| Provincial                                       | Manager                       | 1              | 1            | 0            |
|  | Deputy Manager                | 3              | 3            | 0            |
|  | Assistant Manager             | 5              | 5            | 0            |
|  | Senior Admin Officer          | 11             | 11           | 0            |
|  | Admin Officer                 | 3              | 3            | 0            |
|  | Assistant Admin Off           | 2              | 1            | 1            |
|  | Messenger/Cleaner             | 1              | 1            | 0            |
| Local  | Office Supervisor             | 14             | 13           | 1            |

Table 17: Positions - March 2010 (cont.)

| Component                                       | Rank                           | Approved posts | Posts filled | Vacant posts |
|---|--------------------------------|----------------|--------------|--------------|
|   | *Electoral Project Coordinator | 68             | 64           | 6            |
| <b>Provincial electoral staff: Western Cape</b> | Senior Manager                 | 1              | 1            | 0            |
| Provincial                                      | Manager                        | 1              | 1            | 0            |
|   | Deputy Manager                 | 2              | 2            | 0            |
|   | Assistant Manager              | 5              | 5            | 0            |
|   | Senior Admin Officer           | 10             | 7            | 3            |
|   | Admin Officer                  | 1              | 1            | 0            |
|   | Assistant Admin Off            | 1              | 1            | 0            |
|   | Messenger/Cleaner              | 1              | 0            | 1            |
| Local   | Office Supervisor              | 1              | 0            | 1            |
|   | Electoral Project Coordinator  | 34             | 31           | 3            |
| <b>Provincial electoral staff: Gauteng</b>      | Senior Manager                 | 1              | 1            | 0            |
| Provincial                                      | Manager                        | 1              | 1            | 0            |
|   | Deputy Manager                 | 2              | 2            | 0            |
|   | Assistant Manager              | 6              | 6            | 0            |
|   | Senior Admin Officer           | 8              | 6            | 2            |
|   | Admin Officer                  | 2              | 2            | 0            |
|   | Assistant Admin Off            | 1              | 1            | 0            |
|   | Senior Admin Clerk             | 1              | 1            | 0            |
|   | Messenger/Cleaner              | 1              | 1            | 0            |
| Local   | Office Supervisor              | 4              | 2            | 2            |
|   | *Electoral Project Coordinator | 34             | 35           | 3            |
| <b>TOTAL</b>                                    |                                | <b>806</b>     | <b>719</b>   | <b>94</b>    |

\*Discrepancies in EPC totals for Eastern Cape, Free State and Gauteng are due to 7 positions carried over the establishment (total of 813)

### Employment equity

The Commission committed itself to comply with the Employment Equity Act, 1998 (Act 55 of 1998) in accordance with the performance target to, "Monitor the implementation of the approved Employment Equity Plan". In this regard vacancies are filled as far as possible as per the numerical targets. The Employment Equity Committee (EEC) met twice during this period and the required EE report was submitted to the Department of Labour on 1 October 2009. Due to time

constraints and heightened electoral activities, it was not possible for the Committee to meet during April or May 2009 as envisaged. Whilst endeavouring to meet the numerical goals as indicated below, the Commission is simultaneously engaged in a process of addressing the identified barriers (such as policy maintenance and alignment) in meeting the non-numerical goals as well.



**Table 18** reflects the representivity of the organisation as at 31 March 2010 in terms of employment equity numerical goals.

**Table 18: Employment equity**

| LEVEL                            | A/M        | C/M       | I/M      | W/M       | A/F        | C/F       | I/F      | W/F       |
|----------------------------------|------------|-----------|----------|-----------|------------|-----------|----------|-----------|
| DCEO / Senior Manager            | 9          | 2         | 0        | 2         | 5          | 0         | 1        | 0         |
| Manager                          | 7          | 4         | 1        | 3         | 5          | 2         | 0        | 4         |
| Deputy Manager                   | 12         | 0         | 2        | 3         | 7          | 0         | 1        | 5         |
| Assistant Manager                | 24         | 4         | 2        | 1         | 11         | 2         | 1        | 6         |
| Senior Administrative Officer    | 36         | 6         | 0        | 3         | 39         | 6         | 2        | 9         |
| Administrative Officer           | 23         | 1         | 2        | 0         | 23         | 3         | 1        | 9         |
| Assistant Administrative Officer | 165        | 24        | 2        | 6         | 159        | 27        | 2        | 17        |
| SAC / Administrative Clerk       | 2          | 0         | 0        | 0         | 7          | 1         | 0        | 0         |
| Housekeeper / Driver             | 10         |           | 0        | 0         | 8          | 0         | 0        | 0         |
| <b>TOTAL</b>                     | <b>288</b> | <b>41</b> | <b>9</b> | <b>18</b> | <b>264</b> | <b>41</b> | <b>8</b> | <b>50</b> |

**Table 19** illustrates the Commission's commitment to ensuring compliance with the Employment Equity Act of 1998 and the numerical goals as set out in the Commission's EE five-year plan.

**Table 19: Employment equity goals - comparison**

| YEAR                     | A/M  | C/M       | I/M       | W/M       | A/F        | C/F       | I/F      | W/F       |
|--------------------------|--|-----------|-----------|-----------|------------|-----------|----------|-----------|
| <b>Numerical goals</b>   | <b>320</b>   | <b>48</b> | <b>16</b> | <b>55</b> | <b>282</b> | <b>40</b> | <b>9</b> | <b>43</b> |
| Financial year 2007/2008 | Organisational review and development of new EE Plan |           |           |           |            |           |          |           |
| Financial year 2008/2009 | 246  | 38        | 11        | 19        | 233        | 40        | 8        | 47        |
| Financial year 2009/2010 | 288  | 41        | 9         | 18        | 264        | 41        | 8        | 50        |

**Table 20: Recruitment, promotions and resignations**

| LEVEL                            | Recruited | Promoted  | Resigned  | Foreign employees |
|----------------------------------|-----------|-----------|-----------|-------------------|
| DCEO / Senior Manager            |           | 0         |           | 0                 |
| Manager                          |           | 2         |           | 0                 |
| Deputy Manager                   | 1         | 3         | 1         | 0                 |
| Assistant Manager                | 5         | 3         | 2         | 0                 |
| Senior Administrative Officer    | 3         | 7         | 3         | 0                 |
| Administrative Officer           | 5         | 5         | 2         | 0                 |
| Assistant Administrative Officer | 82        | 0         | 13        | 0                 |
| Senior Administrative Clerk      | 1         | 1         |           | 0                 |
| Housekeeper / Driver             |           | 0         |           | 0                 |
| <b>TOTAL</b>                     | <b>97</b> | <b>21</b> | <b>21</b> | <b>0</b>          |

The Commission's staff turnover for the period under review was 2,9%, a figure that remains below the national benchmark. Most of the resignations were

from the provincial and municipal level offices due to better job and salary opportunities. **Table 21** illustrates the staff turnover trend due to resignations.

**Table 21:** Staff turnover due to resignations

| Year      | No of resignations | Percentage |
|-----------|--------------------|------------|
| 2007/2008 | 11                 | 1,8%       |
| 2008/2009 | 10                 | 1,6%       |
| 2009/2010 | 21                 | 2,9%       |

### Performance management

As per the performance target of “Implementing performance management for the organisation”, the Commission managed to set goals and enter into performance agreements with all its employees by the end of April 2009. The assessment of performance was completed for the year under review by March 2010.

enlisted more than 80% of its employees as members of the Government Employees Pension Fund (GEPPF), and timeously implemented inflationary increases for its employees in July 2009 and January 2010. During this period the Commission reviewed its salary structure and aligned it with that of the Public Service, whilst simultaneously implementing a singular notch progression cycle for all qualifying employees, with effect from 1 April 2009.

### Expenditure on remuneration

The Commission managed to process payment continuously throughout the year within the time-period agreed upon, through electronic transfer of funds. During this financial year, the Commission further

**Table 22** presents a summary of expenditure on remuneration for Commissioners and Senior Management during the financial year under review.

**Table 22: Personnel Expenditure (Salaries)**

|                        | Amount (R)   |
|------------------------|--------------|
| <b>Commissioners</b>   | 4,783,784.54 |
| <b>Senior Managers</b> | 4,801,386.93 |

### Injury, illness, death

The Commission envisaged developing and implementing a programme to assist employees with their well-being and safety through which “free, confidential, voluntary, professional support could be provided to staff via telephone service, face-to-face

contact sessions and website access”. Although an official programme to the extent envisaged, could not yet be fully implemented, employees made use of the existing facilities, as indicated in **Table 23**.

**Table 23: Employees on the Electoral Commission Wellness Programme**

| Year      | No of employees |
|-----------|-----------------|
| 2007/2008 | 1               |
| 2008/2009 | 7               |
| 2009/2010 | 18              |

The average number of sick leave days taken and the inherent costs are reflected in **Table 24**.

**Table 24: Sick leave**

|  |               |
|--|---------------|
| Total number of sick leave days taken                      | 2,723         |
| Estimated cost of sick leave taken                         | R2,993,025.02 |
| Number of employees who took more than 15 consecutive days | 17            |

In comparison with the previous two financial years, the trend of absenteeism as a result of sick leave is illustrated in **Table 25**.

**Table 25: Sick leave absenteeism - comparison**

| Year      | Total no of sick leave days taken | Estimated cost | No of employees who took 15 consecutive days |
|-----------|-----------------------------------|----------------|--|
| 2007/2008 | 1,760.5 days                      | R1,590,606.87  | 7  |
| 2008/2009 | 1,727 days                        | R1,686,145.71  | 11   |
| 2009/2010 | 2,723 days                        | R2,993,025.02  | 17   |

**Table 26: Average sick leave days by rank**

| Rank                             | Days |
|----------------------------------|------|
| Senior Manager                   | 1.91 |
| Manager                          | 2.46 |
| Deputy Manager                   | 2.97 |
| Assistant Manager                | 2.81 |
| Senior Administrative Officer    | 3.38 |
| Administrative Officer           | 2.31 |
| Assistant Administrative Officer | 3.20 |
| Administration Clerk             | 1.5  |
| Messenger/Cleaner                | 2.67 |

In comparison with the previous financial year, the trend of sick leave days taken per rank is illustrated in **Table 27**.

**Table 27: Average sick leave days by rank**

| Rank                             | 2008/2009 | 2009/2010 |
|----------------------------------|-----------|-----------|
| Senior Manager                   | 3.53      | 1.91      |
| Manager                          | 1.44      | 2.46      |
| Deputy Manager                   | 2.60      | 3.07      |
| Assistant Manager                | 4.86      | 2.82      |
| Senior Administrative Officer    | 2.56      | 3.38      |
| Administrative Officer           | 2.24      | 2.38      |
| Assistant Administrative Officer | 2.47      | 3.11      |
| Administration Clerk             | 4.00      | 1.50      |
| Messenger / Cleaner              | 4.44      | 2.61      |

No incidents of injury while on duty or in the working environment were reported. Three employees – listed in **Table 28** – passed away during the past year.

**Table 28: Employee deaths**

| Province     | Name                   | Date of death   |
|--------------|------------------------|-----------------|
| Free State   | T Lepesa Ka-Ntshingila | 4 April 2009    |
| Free State   | MJ Mofokeng            | 24 July 2009    |
| Western Cape | C Geldenhuys           | 5 December 2009 |

In comparison with the previous two financial years, the incidents of employee deaths are indicated in **Table 29**:

**Table 29: Employee deaths - comparison**

| Year      | No of deaths | Average age of deceased |
|-----------|--------------|-------------------------|
| 2007/2008 | 1            | 42                      |
| 2008/2009 | 5            | 40.8                    |
| 2009/2010 | 3            | 43.6                    |

**Collective agreements/Labour relations/Disciplinary actions**

No new collective agreements, beside the one entered into with the National Education and Allied Workers' Union (NEHAWU) in 2007, were entered into.

Disciplinary actions were taken against 17 employees for reasons of financial misconduct, misconduct or fraud against the Commission as set out in **Table 30**.

In meeting its performance target of managing employee relations in compliance with relevant legislation, policies and procedures, the Commission embarked upon an extended labour relations training programme for its employees, resulting in an increased awareness amongst its employees and management.

**TABLE 30: Disciplinary actions taken**

|    | Level             | Outcome                                       |
|----|-------------------|---|
| 1  | Assistant Manager | Dismissed. Reinstated after successful appeal |
| 2  | MFC               | Dismissed                                     |
| 3  | EPC               | Final written warning                         |
| 4  | EPC               | Dismissed. Demoted after successful appeal    |
| 5  | EPC               | Final written warning                         |
| 6  | EPC               | Final written warning                         |
| 7  | EPC               | Verbal warning                                |
| 8  | EPC               | Dismissed                                     |
| 9  | EPC               | Final written warning                         |
| 10 | EPC               | Dismissed                                     |
| 11 | EPC               | Written warning                               |
| 12 | EPC               | Final written warning                         |
| 13 | EPC               | Written warning                               |
| 14 | EPC               | Dismissed                                     |
| 15 | EPC               | Written warning                               |
| 16 | EPC               | Written warning                               |
| 17 | EPC               | Written warning                               |

**Table 31: Trends of actions taken against employees over the last three comparative financial years.**

| <b>TABLE 31: Trends</b>            |                                     |                                     |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                    | <b>Financial year<br/>2007/2008</b> | <b>Financial year<br/>2008/2009</b> | <b>Financial year<br/>2009/2010</b> |
| Dismissed                          | 12                                  | 1                                   | 4                                   |
| Final written warning              | 1                                   | 6                                   | 5                                   |
| Other (written and verbal warning) | 3                                   | -                                   | 8                                   |
| <b>TOTAL</b>                       | <b>16</b>                           | <b>7</b>                            | <b>17</b>                           |

During the year under review, 12 matters were referred to the CCMA by former employees of the Electoral Commission. The applications were dismissed in 4

cases, whilst in 5 cases the applications were withdrawn. The Commission settled 3 cases through reinstatement or monetary award.

**Table 32: Nature of disputes lodged with the CCMA during the reporting period.**

| <b>TABLE 32: CCMA</b>                                  |                            |
|--|----------------------------|
| <b>Nature of dispute</b>                               | <b>Number of employees</b> |
| Unfair dismissal                                       | 8                          |
| Dismissal related to misconduct                        | 1                          |
| Section 186(1)(b) Non-renewal of contract              | 1                          |
| Section 191(5)(a)(iii) Reasons for dismissal not known | 2                          |
| <b>TOTAL</b>   | <b>12</b>                  |

**Table 33: Trends of matters referred to the CCMA over the last three financial years.**

| <b>TABLE 33: Trends</b>            |                                     |                                     |                                     |
|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                    | <b>Financial year<br/>2007/2008</b> | <b>Financial year<br/>2008/2009</b> | <b>Financial year<br/>2009/2010</b> |
| Dismissed                          | 12                                  | 1                                   | 4                                   |
| Final written warning              | 1                                   | 6                                   | 5                                   |
| Other (written and verbal warning) | 3                                   | -                                   | 8                                   |
| <b>TOTAL</b>                       | <b>16</b>                           | <b>7</b>                            | <b>17</b>                           |

## TRAINING AND SKILLS DEVELOPMENT

The Commission champions training of both permanent and temporary staff. The training of permanent staff members was informed by personal development plans emanating from the performance review process as well as the institution's own developmental needs. The training of temporary staff members was informed by the 2009 National and Provincial Elections.

### The Centre for Elections Learning

A total of 17 training interventions were conducted at the centre for the 2009/10 financial year.

### Training of electoral staff

A total of 59 257 electoral staff members were trained for the 2009 National and Provincial Elections. The section also facilitated the training of 484 SANDF members, 924 SAPS members, 4 830 political party

### Employer-initiated

The following employer-initiated courses were offered in the 2009/10 financial year.

| Name of course / Learning activity                          | Number of participants |
|---|------------------------|
| Project Management  | 277                    |
| Labour Law x 3 sessions                                     | 87                     |
| HR, Payroll & Training                                      | 34                     |
| Occupational Health and Safety                              | 17                     |
| Accounts Payable  | 25                     |
| Employment Equity workshop                                  | 21                     |
| Effective Business-writing skills                           | 24                     |
| By-elections training x 3 sessions                          | 19                     |
| Technical Risk Management Awareness                         | 23                     |
| Financial Management for Non-Financial Manager x 3 sessions | 40                     |
| Induction Session   | 15                     |
| Election Material task team training                        | 7                      |
| 4x4 Training  | 23                     |
| Leadership Development                                      | 14                     |

In addition, the Unit organised the following sessions with other departments:

- KPMG Results Audit team
- Procurement briefing sessions
- Registration weekend
- Wellness session
- NPE Results team
- Remedy software package training for IT staff

agents, as well as observers and media members on election processes.

### Conduct and administer skills analysis

### Bursaries

A total of 126 bursary applications were received for 2009/10 financial year. Of those, 118 applications were approved and 8 applications declined. The declined applicants were advised to look for courses that would benefit both the employer and the employee.

## SHORT COURSES

### Employee-initiated

A total of 18 employee-initiated courses were approved. These included conferences, registrations with professional bodies as well as seminars and workshops.

### Bridge Course

The Commission was invited to attend the Bridge Train-the-Trainer course in Pretoria. A total of 10 Electoral Commission staff members attended.

### Internship Programme

Eight interns were recruited by the Commission. The Commission seeks to recruit more interns in its provincial offices and the national office.

### SUPPORT SERVICES

| Goal   | Key performance indicator   | Target  | Performance result   | Reason for variance |
|--|---|---|--|---------------------|
| <b>Provide and maintain office accommodation and infrastructure.</b> | Rental agreements in place. Required infrastructure secured and/or procured. Appropriate filing facilities on national and provincial level | Perform needs analysis in respect of office space and infrastructure in 2009/10 | Rental agreements for appropriate office accommodation with the required infrastructure in place |                     |
|  | Replace PABX and TMS and restore capability to monitor payment for personal calls in full   | Monitor effectiveness of PABX and TMS   | PABX and TMS systems replaced  |                     |
|  | Installation of power units where needed  | Evaluate the need for back-up power at Commission sites down to MEO level       | No additional back-up power units were required  |                     |
|  | National Operations Centre (NOC) established  | Not applicable  | NOC was established with operational infrastructure  |                     |
| <b>Provide and maintain security services</b>                        | National Priority Committee for general elections established   | Not applicable  | Committee was activated and served its purpose for the 2009 National and Provincial Elections    |                     |
| <b>Provide efficient transport, travel and courier services</b>      | Pool vehicles replaced on schedule  | Procure pool vehicles as per the approved budget                                | Pool vehicles were replaced as was required by the pool vehicle replacement policy               |                     |
|  | Travel agency service provider appointed  | Appoint travel agency service provider through approved procurement processes   | Travel agencies were appointed where required  |                     |

### Office accommodation and infrastructure

A National Results Operational Centre, where all election results were accumulated, was constructed and operational for the 2009 National and Provincial Elections. Sufficient Uninterrupted Power Supply (UPS) units were in place at all Commission sites where it was operationally required. For employees to perform their daily duties in a secure environment appropriate office space was secured, with active lease agreements in place and renewed as was required during the period. New office space for the national office was secured in Centurion.

### Telecommunication services

Efficient telecommunication services were rendered and the old redundant PABX systems were replaced with a cost-saving voice over IP system that works in conjunction with the IT system. This system allows for calls at zero cost between the national and provincial offices of the Commission. The new system incorporates a telephone management system which enables the monitoring of payment for private calls made by staff.

### The Occupational Health and Safety Act

The Occupational Health and Safety Act, 1993 (Act 85 of 1993) was adhered to and no incidences of contraventions were reported.

### Security services

Efficient security guarding services for the Commission's office sites were rendered through outsourcing. Guarding service providers were replaced through the tender process where it was required. Seven incidents of burglary or theft occurred at Commission sites during the reporting period. The replacement value of the stolen equipment was approximately R133 000,00.

## FINANCIAL MANAGEMENT

| Goal  | Key performance indicator   | Target  | Performance result  | Reason for variance   |
|---|---|---|---------------------|---|
| <b>Maintain financial reporting and internal control mechanisms</b> | Close every month by the 30 <sup>th</sup> and finalise all the reconciliations by the 10 <sup>th</sup> of the following month | Reconciliations finalised by the <b>10<sup>th</sup> of each month</b> | Not achieved        | Lack of adequate human resources capacity                   |
|   |   | Payments made within the prescribed <b>30 day period</b>              | Not always achieved | Newly appointed staff members not fully conversant with SAP |
|   | Submit and manage monthly reports.  | Submit by every second Wednesday of <b>each month</b>                 | Achieved            |   |
|   | Timely submission of annual financial statements  | <b>31 May</b> of each year  | Pending             |   |



## SECTION 3

| Goal  | Key performance indicator   | Target   | Performance result                                  | Reason for variance                       |
|---|---|--|---|---|
| <b>Liase and cooperate with the Auditor-General (AG) in respect of the External Audit</b> | Attend to external audit queries  | Distribute queries to line-management <b>within 1 day</b> after receiving them from the AG.<br>Submitted back to AG <b>within 7 days</b> from distribution date.<br>Follow-up on corrective action plan after the due date of action | Achieved<br><br>Not always achieved<br><br>Achieved | Lack of availability of staff             |
| <b>Adhere to PFMA &amp; Treasury Regulations and internal policies and procedures</b>     | Update financial directives, policies and procedures  | Every year by <b>30 November</b>   | Not achieved  | Lack of adequate human resources capacity |
|   | Conduct training of all staff on the financial directives, policies and procedures (roll-out training)      | All staff re-trained by <b>end of November</b>   | Not achieved  | Lack of adequate human resources capacity |
|   | Implement updated financial directives, policies and procedures   | Reduction in number of errors reported within financial administration and by auditors   | Achieved  |   |
|   |   | Receive unqualified Audit Report   | Pending   |   |
| <b>Liase with internal audit</b>  | Attend to internal audit queries  | All audit queries attended to.<br>Reduction in the number of non-compliance issues reported  | Achieved<br><br>Achieved                            |   |
| <b>Develop and maintain standard operating procedures in SAP</b>                          | Update procedure manual and financial prescripts to correlate with business processes as implemented in SAP | Revise standard operating procedures by <b>end of Nov</b>  | Not achieved  | Lack of adequate human resources capacity |
| <b>Perform secretarial function for the Audit Committee</b>                               | Coordinate committee meetings   | Timely; attendance of all members confirmed <b>7 days prior</b> to meetings  | Achieved  |   |
|   | Distribute meeting packs to members   | Complete and distribute <b>within 5 days</b> before meetings   | Achieved  |   |
|   | Take and draft minutes  | Updated a complete set of originally signed minutes <b>within 7 days</b> after meetings  | Achieved  |   |
|   | Process members' claims   | Timely; <b>within 7 days</b> after meetings  | Achieved  |   |

## SECTION 3

| Goal  | Key performance indicator   | Target  | Performance result   | Reason for variance   |
|---|---|---|--|---|
| <b>Develop and implement a budget blueprint for the organisation</b>  | Budget processes which are in line with National Treasury requirements and organisational policies and procedures   | Facilitate task team meetings to acquire the necessary input by <b>31 August</b> . EXCO to approve draft blueprint by <b>30 September</b> . Finalise Blueprint and distribute to all stakeholders by <b>31 October</b> . Provide Blueprint training by <b>30 November</b> | Budget blueprint for the organisation in place although budget training was only finalised in February | 2009 election-related activities, resultant delayed financial year-end procedures and the holiday season which followed made implementation and training before February not possible |
| <b>Coordinate the compilation of MTEF budgets for approved projects in line with the strategic objectives of the organisation and the stipulated timeframes</b> | Facilitate the alignment of draft budgets and projects in line with the strategic objectives for the financial year starting 1 April (Y-02), after the February strategic planning workshop | To be completed by <b>29 February</b>   | Achieved   |   |
|   | Cost strategic objectives and finalise Y-02 budgets   | To be completed by <b>14 March</b>  | Achieved   |   |
|   | Ensure the Y-02 budget and project uploads to the relevant financial systems  | To be completed by <b>31 March</b>  | Achieved   |   |
|   | Coordinate MTEF budget plan processes for the next three years and compile final MTEF plan  | To be completed <b>31 July</b>  | Achieved   |   |
|   | Submit the MTEF budget plans for the next three years to National Treasury  | To be submitted by <b>31 July</b>   | Achieved   |   |
|   | Facilitate current year adjustment estimates processes (if necessary) and submit to National Treasury   | To be submitted by <b>30 September</b>  | Not applicable   |   |
| <b>Coordinate the compilation of MTEF budgets for approved projects in line with the strategic objectives of the organisation</b>                               | Receive final MTEF budget allocation from National Treasury   | To be received by <b>30 November</b>  | Achieved   |   |
|   | Coordinate re-alignment of line-item budgets for financial year starting 1 April of each year in  | To be completed by <b>31 March</b>  | Achieved   |   |

## SECTION 3

| Goal  | Key performance indicator   | Target  | Performance result   | Reason for variance  |
|---|---|---|--|--|
| and the stipulated timeframes (continued)                           | SAP   |   |  |  |
| Develop and implement organisational budgetary performance measures | Provide budget performance management reports   | Report on performance – % budget spend per department per project on a monthly basis                                | Achieved   |  |
|   | Monitor and facilitate remedial action plans  | Assess <b>monthly</b> expenditure reports tabled to various committees to monitor remedial action plans. Monthly.   | Not achieved   | Format of reporting will be adjusted in the new financial year to include comments by the CFO  |
|   | Implementation corrective measures to re-align budgets pro-actively   | Review/assess budgetary performance of approved projects in Y-00, and recommend reprioritisation. <b>Quarterly.</b> | Only one budget review was conducted during the course of the year | Election-related activities and resultant delayed financial year-end procedures made quarterly budget reviews difficult. This will be rectified in the new financial year. |
| Review and manage compliance verification processes                 | Review policies and guidelines to ensure compliance with the PFMA and organisational policies and procedures  | Evaluate need for adjustments by end of <b>February</b>   | Achieved   |  |
|   |   | Re-evaluate needs by end of <b>August</b>   | Achieved   |  |
| Manage the projects, budgets and cost centre modules in SAP         | Implement project charters and related reports in SAP. Revise the SAP standard operating procedures for the projects, budgets and cost centre modules | Updated project charters and reports by end <b>July</b> . Revise standard operating procedures by end of <b>Nov</b> | Achieved   |  |
| Manage the Represented Political Party Fund                         | Effective management processes<br>Clear funding guidelines and timeframes for Represented political parties   | Funds allocated <b>quarterly</b> to qualifying parties according to legislative criteria                            | achieved   |  |

### Overview of funds received and spent

The Commission received R937 233 000 for the year under review by way of parliamentary grant. Sundry income was generated which largely consists of interest earned, bringing the Commission's total income to R961 839 113. All these funds have been accounted for and are disclosed in the annual financial statements. Property, plant and equipment to the value of R232 554 709 were acquired during the year under review. These funds were accounted for as prescribed in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP), including any interpretations of such statements issued by the Accounting Standards Board, with prescribed Standards of Generally Recognised Accounting Practices Board as prescribed in the Treasury Regulations and the PFMA and relevant guidelines issued by the National Treasury.

Expenditure is mainly influenced by the elections cycle, peaking during preparations for an election and then decreasing to fund regular activities in non-election cycles. Expenditure grew significantly at an average annual rate of 32,7 per cent, from R458 million in 2006/07 to R1,1 billion in 2009/10, to cater for national and provincial elections in 2009.

The Commission has identified a number of cost-saving measures that were implemented during the period under review in order to reduce expenditure as much as possible and to ensure proper budget management practices, without compromising the integrity of electoral processes. It should, however, be noticed that these measures were not aimed at cutting the budget, activities or expenditure in general, but to ensure reprioritisation of expenditure to ensure that funds were allocated to projects where additional funding was much needed in preparation of the 2011 municipal elections and which additional funding was not allocated during the MTEF. Expenditure controls around, inter alia, car rentals, travel and subsistence claims, accommodation, events, catering, telephone costs, promotional items and the appointment of temporary staff, were introduced. Furthermore, the eProcurement system was enhanced to ensure continued cost-effective and transparent procurement processes and to be effective at the lowest possible cost.

### Payment of electoral staff

One of the major challenges the Commission faced during the 2009 National and Provincial Elections was the payment of the more than 201 000 electoral staff members. Payments to the staff could not be made on Election Day as all these staff members had to be paid through the official payroll in order to make the correct statutory deductions in compliance with SARS requirements. This also enabled the Commission to make Electronic Funds Transfer (EFT) payments to almost 83% of the staff members whilst the other payments were made by cheque.

The details of recruited staff had to be captured and verified on the Electoral Staff System (ESS) prior to Election Day. After the counting of votes and releasing of results, the details of replacement staff and attendance registers of the staff that worked in the 19 726 voting stations on the day had to be captured and verified again at municipal level. In spite of the control measures put in place, banking details and or other missing documentation could not easily be corrected as these volunteers, of whom 69,80% were unemployed, could not be reached easily.

The Commission is currently developing control measures to address the capturing of data on the ESS as well as the required documentation for accuracy and completeness.

### Monies received from other sources

All monies received from the State and other sources towards expenditure in connection with the exercise of the Commission's powers and the performance of its functions are reflected in the annual financial statements. Other sources exclude foreign and local aid assistance as these funds are held in trust and are spent according to the agreements entered into. Other sources of income include sponsorship income received for the National Results Centres which were established at the Tshwane Events Centre and nine Provincial Results Centres. This is where election-related activities were coordinated and reported on for each province. Different sponsorship packages were offered.

**Summary of sponsorship values**

Internet Solutions - Silver Package (R50 000)  
 Accenture (SA) Pty Ltd - Double Silver Package (R100 000)  
 Engen - Double Silver Package of (R100 000)  
 Hewlett Packard (SA) - Gold Package (R1 000 000)  
 Telkom - Platinum Package (R3 000 000)

**Foreign and local aid assistance**

The Commission received funds from Anglo American to assist with the preparations for the 2009 National and Provincial Elections. The contract for this amount was signed in March 2009 and monies were received in April, just before elections. This amount was not fully utilised as it was received too close to Election Day.

**Summary of amount received and spent**

| Donor          | Amount spent<br>31 March 2009 | Received<br>April 2009 | Spent   | Balance<br>31 March 2010 |
|----------------|-------------------------------|------------------------|---------|--------------------------|
| Anglo American | 501 854                       | 2 000 000              | 917 623 | 580 523                  |

**Procurement and Asset Management**

| Goal  | Key performance indicator   | Target   | Performance result   | Reason for variance |
|---|---|--|--|---------------------|
| <b>Adhere to procurement legislation and internal policies and procedures</b> | Compliance with procurement legislation and internal policies and procedures          | Revise policies and align with new Supply Chain Management requirements and guidelines | Policy review workshops were held and policy review had been attended to. All applicable Supply Chain Management directives from National Treasury were given immediate attention/effect   |                     |
|   | Vendor database is accurate and contains up to date contact and other relevant detail | Update vendor database consistently  | New vendors were added daily on SAP. 4 219 suppliers were captured during the reporting period. New supplier registration took place daily in eProcurement. 378 new suppliers registered on eProcurement during the reporting period |                     |

## SECTION 3

| Goal   | Key performance indicator   | Target  | Performance result   | Reason for variance |
|--|---|---|--|---------------------|
|  | Tender plan tabled at Procurement Committee, EXCO and Commission                  | Prepare tender plan for 2009/2010 – All departments to provide input by end <b>April 2009</b>   | Tender plans were received and submitted to the Procurement Committee, EXCO and Commission   |                     |
|  | Reporting is effective and continuous   | Statutory reporting is done as required and non-compliance reported and appropriate action taken  | Monthly reports on contracts awarded were submitted to National Treasury and SARS. Deviations were reported to National Treasury and Auditor-General within the prescribed periods                           |                     |
|  | Monthly and quarterly reporting   | Submit <b>monthly</b> and quarterly departmental reports to CFO   | Monthly and quarterly reports were prepared and submitted. In addition, a comprehensive annual report up to December 2009 was also submitted   |                     |
|  | Effective operationalisation of SAP and eProcurement                              | Maintain and use applications for vendors, requisitions, auctions and purchase orders   | All systems were effectively utilised and maintained   |                     |
|  | Staff trained on procurement policy and procedural matters                        | Communicate to and train staff on revised procurement policies and procedures   | Training requirements attended to as and when required   |                     |
|  |   | Communicate SCM directives and circulars  | Policy documents and information circulated to all staff   |                     |
| <b>Adhere to asset management legislation and internal policies and procedures</b> | Compliance with asset management legislation and internal policies and procedures | Annual review of policies and procedures to ensure compliance with legislation and accounting standards <b>(End of August)</b> . Incorporation of annual audit findings in the review of policies and procedures <b>(End of August)</b><br>Maintenance of a | New policies and/or procedural guides were prepared and circulated to all staff concerned. Issues raised during audit findings were attended to and corrective action pursued. Policy and procedure register |                     |

## SECTION 3

| Goal   | Key performance indicator  | Target   | Performance result  | Reason for variance   |
|--|--|--|---|---|
|  |  | policy and procedure register for asset management (continuous)  | created and maintained  |   |
| <b>Adhere to asset management legislation and internal policies and procedures (continued)</b> | Reporting is effective and continuous  | Non-compliance reported and appropriate action taken <b>(Monthly)</b>  | Non-compliance matters and areas of concern were reported on a monthly basis  |   |
|  | Accurate asset register established and maintained in SAP. Asset disposals completed on an ongoing basis | Monthly capturing of asset transactions <b>(Monthly)</b> . Monthly reconciliation of asset register and accounts <b>(Monthly)</b> . Ensure that quarterly and annual asset verification is executed and concluded at national, provincial and local level <b>(Quarterly)</b> | All new assets received were accounted for in the asset register and asset movements registered. Monthly reconciliations were executed. Quarterly asset verification as well as the required annual asset verification was successfully performed where possible. | The required 4 verifications for the financial year could not be performed in all the provinces (did perform verifications but less than 4). The situation is the same for National Office where it was impossible to conclude 4 during the year considering the amount of assets and more specifically the reconciliations that needed to be performed. The policy provisions in this regard are being reviewed in order to adjust to achievable targets in the SAP environment. |
|  |  | Assets disposed in line with relevant legislation, policies and procedures <b>(Weekly)</b> . Disposals recorded on the asset register <b>(Weekly)</b>  | Assets for disposal were presented to the Disposal Committee and approved by EXCO. Assets disposed of during the reporting period and resultant proceeds were correctly recorded in the asset register  |   |

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:

- Continuous review of its procurement policies and procedures to ensure alignment with Supply Chain Management (SCM) requirements.
- Continued effective implementation and operational management of an electronic procurement system (eProcurement/Votaquotes).
- Continued with the targeting of BEE and SMME suppliers in order to strengthen and enlarge the Commission's supplier database.
- 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 (Act 5 of 2000).
- Implemented and maintained reporting requirements to National Treasury concerning contracts entered into and supplier detail. This included continuous adjustment, where necessary, of its procurement systems and processes to enhance the Commission's reporting ability to the Auditor-General, National Treasury and SARS.
- Continuous review and enhancement of SAP system and business processes for procurement and asset management to allow for improved internal controls and reporting in the management of assets and acquisition of goods and services.
- Continuous maintenance of the asset register in terms of the recording of new acquisitions, the disposal of obsolete assets and the processing of asset transfers to ensure that it provides a true reflection of the Commission's asset situation.
- Annual review and assessment of the asset values recorded on the asset register to ensure that the Commission presents an accurate reflection of its true asset value.
- Continuous review of asset policies, procedures and processes to ensure compliance with the requirements of the Public Finance Management Act, 1999 (Act 1 of 1999), Generally Recognised Accounting Practice (GRAP) and International Financial Reporting Standards (IFRS).
- Effective management and control of assets utilised during the National Elections to minimize the risk of possible asset losses.
- Continued with skills development initiatives at the national and provincial offices for Supply Chain Management functions.



## ASSESSMENT OF PROCUREMENT INITIATIVES AND IMPACT ON BLACK ECONOMIC EMPOWERMENT AND SMALL BUSINESS

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

The Commission awarded 646 contracts to the total value of R245,05 million. Of these contracts, 405 (62,69%) went to BEE companies (approximately R141,92 million or 57,91% of total contract value). Of bids awarded through eProcurement auctions, 64 contracts (87,67%) out of a total of 73 contracts were awarded to BEE companies.

The value of contracts awarded to small businesses was as follows:

- Microenterprises (6,79% of value of contracts)
- Very small enterprises (2,04% of value of contracts)
- Small enterprises (47,60% of value of contracts)
- Medium enterprises (8,28% of value of contracts)
- Non-SMMEs (35,30% of value of contracts)

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

- 193 contracts were awarded to microenterprises (29,88%)
- 51 contracts were awarded to very small enterprises (7,89%)
- 227 contracts were awarded to small enterprises (35,14%)
- 68 contracts were awarded to medium enterprises (10,53%)
- 107 contracts were awarded to non-SMMEs (16,56%)

The value of these contracts for the period under review came to R245,05 million, through the following procurement options:

- Tenders (R96,22 million)
- Quotations (R142,07 million)
- Auctions (R6,76 million)

Contract values for new goods and services procured are based on all tenders and auctions awarded by the Commission during the reporting period. The value for quotations is reflective of contracts awarded for goods or services with a monetary value of R30 000,00 and higher.

## Information and Communication Technology

| Goal   | Key performance indicator   | Target  | Performance result   | Reason for variance   |
|--|---|---|--|---|
| <b>System enhancements and .NET re-write</b> | Business systems converted to .Net framework and ready for National and Provincial Elections 2009                       | BPG.net; start <b>Jun 2009, mid-Dec 2009</b>  | Delayed to commence in March 2010  | Start date delayed due to other business imperatives          |
|  |   | EEM.net; <b>mid-Sept 2009; end March 2010</b>   | Deferred to commence in March 2010   | Start date delayed due to other business imperatives          |
|  |   | VRS.net; start <b>June 2009; end March 2010</b>   | Implemented by December 2009. Additional enhancements planned                              |   |
| <b>Upgrade of systems</b>                    | Aligned business systems with changed business processes and requirements including operational environment             | Test and upgrade all applications on the new platform   | Implemented  |   |
|  |   | Upgrade CNS accordingly   | Upgrade to the CNS commenced in March 2010   |   |
| <b>Upgrade of systems (continued)</b>        | Aligned business systems with changed business processes and requirements including operational environment (continued) | Develop Asset Management application accordingly  | Asset management system for Zip-Zips implemented. Integration with IEC systems in progress |   |
|  |   | Upgrade LGE Results System to include results slip scanning and processing                    | Implemented by February 2010   |   |
|  |   | Upgrading scanning application accordingly  | Implemented by March 2010  |   |
|  |   | Upgrade E-Procurement System to be cross-browser compatible, on a .NET platform including IE7 | Implemented by December 2009   |   |
| <b>Public website upgrade</b>                | Upgraded and fully cross-browser compatible website   | Development, testing and implementation of upgraded website                                   | In progress  |   |
| <b>GIS Map production</b>                    | TCR maps printed and dispatched   | Not applicable  | Not applicable   | Deferred to 2010/11 in preparation of the municipal elections |

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| Goal   | Key performance indicator   | Target   | Performance result  | Reason for variance   |
|--|---|--|---|---|
|  | Registration maps printed and dispatched for weekend 1                | Not applicable   | Not applicable  | Deferred to 2010/11 in preparation of the municipal elections |
|  | Registration maps printed and dispatched for weekend 2                | Not applicable   | Not applicable  | Deferred to 2010/11 in preparation of the municipal elections |
| <b>Systems maintenance (GIS, electoral and financial systems)</b>      | Maintained and supported GIS, electoral and financial systems         | Maintain and support all GIS datasets and voting district/station network.<br>Maintain and support all electoral and financial systems | Spatial datasets up to date and supported. Electoral and financial systems maintained and supported   |   |
| <b>Infrastructure maintenance upgrade</b>                              | Server Virtualisation implemented                                     | Design and implement VMWare software in the server environment   | 4 host servers were configured and a total of 34 servers were virtualised   |   |
|  | Business continuity and disaster recovery                             | Cluster SAP servers and implement real-time replication SAP to the disaster recovery site  | Replication to disaster recovery sites was configured and is being monitored  |   |
|  | Data Centre servers upgraded  | Migrate all applications and databases from old HP server to the new IBM servers   | All services were moved on the new IBM platform with the exception of 2. These will be replaced during the Exchange 2010 implementation   |   |
| <b>Infrastructure capacity upgrade and NPE 2009 election readiness</b> | Adequate ICT infrastructure capacity, services and resources provided | Implement final plans, support election processes.<br>Rollback and election close-out reports  | Additional capturing sites were connected to the VPN. Bandwidth to all capturing sites and results centres were upgraded before the elections. Rollback of IT equipment and bandwidth were completed within a month |   |

| Goal   | Key performance indicator  | Target   | Performance result  | Reason for variance |
|--|--|--|---|---------------------|
|  |  |  | after the elections in April and the election close report was completed and submitted to the project management team |                     |
| <b>Infrastructure capacity upgrade and LGE 2011 election readiness</b> | Adequate ICT infrastructure capacity, services and resources provided                        | Complete assessment of election capacity requirements – <b>31 March 2010</b> | Assessment of infrastructure for the 2011 LGE was deferred to October 2010  |                     |
| <b>IT policy revisions</b>   | Formal approved policies that addressed concerns raised by the Office of the Auditor-General | Annual ICT policy review – <b>15 Dec 2009</b>                                | Policies reviewed and updated. Prepared for approval during early 2010  |                     |

Information and Communication Technology (ICT) plays a critical role in supporting and enabling respective business processes of the Commission. The innovative implementation of technology is a key element in enabling the Commission to deliver proficient services to all stakeholders, including the electorate and political parties. To ensure continued support to the different business processes, a number of programmes have been initiated to provide the following:

1. Stable applications to support and enable all business processes;
2. Closely integrated systems aimed at ensuring a seamless flow of information across the different systems, business units and business processes;
3. Stable and consistent supporting ICT infrastructure, a stable network at both Wide Area Network (WAN) and Local Area Network (LAN) levels and the data centre;
4. Sufficient network and background server capacity, with the required scalability and capability of supporting increased election activity and network traffic; and
5. Management of risks, disaster recovery and business continuity processes ensuring that the Commission can take advantage and fully utilise all appropriate technologies in the information and communications market.

The primary focus of all ICT projects in the period under review was to provide the necessary support during the 2009 National and Provincial Elections. In addition, a number of IT projects were embarked on post the 2009 elections. These projects focused on the enhancement of the existing systems to incorporate the lessons learnt during the National and Provincial Elections and start the preparations for the 2011 municipal elections. Some of the programmes implemented to provide the above services are summarised below:

1. 2009 Election Systems Rollout and support: The Results System was implemented after conducting two dry runs to ensure that the system would be able to handle the anticipated load during the election period. After the first dry run, the system was further optimised to improve performance and response time when multiple users captured results at the same time. In addition to implementing an enhanced Results System, a solution that allowed for the scanning of results slips was also introduced. Political party representatives and the media could view the image of the actual results slip and compare these with data captured on the Results System, thus improving transparency of the process. The scanning solution involved the purchasing and rollout of scanners to all capturing sites throughout the country. ICT support staff had to call each municipality to assist with loading the scanning software on the workstations and training users on how to operate the scanner. To further entrench

the transparency of the process, political parties could download election results in the form of spreadsheets and conducted their own verifications and forecasting.

2. **Enhancement of the Issue Tracker:** As part of supporting the election process, a modified Issue Tracker was implemented. The system was modified to provide login functionality for political parties. All parties were provided with a username and password to log into the system. Using the login credentials, political parties could keep track of all the calls they logged. For the first time, political parties could view calls logged by their representatives throughout the country and could track if the calls were resolved satisfactorily. Where parties were not satisfied with the resolution of the issue, they also had the option to re-open the calls.
3. **Website Capacity:** To prepare for the anticipated high volumes on the Commission's website, the hosting of the website was kept at an Internet Service Provider (ISP). Adopting the hosting approach ensured high availability and scalability as the network traffic to the website increased. In addition to this, the number of servers at the ISP was increased to ensure excess capacity. There was also provision for a Disaster Recovery site for the website in case the main hosting site experienced problems.
4. **By-Elections Results and REC 1 Forms Scanning:** Based on the success of the scanning solution implemented for the NPE, it was decided that the same solution should also be rolled out to the By-Elections and the REC 1 forms. The By-Elections results capturing module was enhanced to allow political parties to view the images of the actual results slips. In addition to this, the scanning functionality was also enhanced to allow for the scanning of the REC 1 forms used during the voter registration exercise. Electronic images of these forms will be accessible through the Voter Registration System (VRS). This will simplify the process of responding to voter registration queries. There is also a possibility of savings on the storage/warehouse costs as the hard copies of the REC 1 forms can be disposed of after a specific period as prescribed in the National Archives and Record Service Act, 1996 (Act 43 of 1996).
5. **VRS Address Capturing Enhancements:** Before every election, the Commission is compelled to provide political parties with a voters' roll that contains addresses of all people that are on the voters' roll. To address this requirement, the Commission embarked on an address capturing exercise using address data reflected on the REC 1 form. The enhanced functionality on the VRS will improve the process of searching address information on the existing National Address Database (NAD). Data capturers will no longer be expected to know the address type they are capturing from the REC 1 form. The system automatically finds the address from the NAD without the capturer specifying the address type. In addition to this, the system also allows data capturers to capture addresses using the electronic image of the scanned REC 1 form. The heads-up capturing will eliminate the need to courier REC 1 forms to the address capturing sites.
6. **Electoral Staff System (ESS) Enhancements:** In preparation for the 2009 elections, the ESS was used extensively in the recruitment and payment of electoral staff. A number of challenges were experienced mainly relating to people that were appointed for long-term periods exceeding one month. In the past these people would have been captured on the MEO Management System. The ESS is currently being enhanced to ensure that the system can handle electoral staff on multiple payment cycles. In addition to this, the system is also being enhanced to ensure seamless integration with SAP. The other major problem experienced during the 2009 elections relates to the validity of bank accounts used to pay electoral staff. On a number of occasions funds were transferred to wrong accounts due to incorrect information captured on the system. To address this challenge, an Account Verification System (AVS) will be implemented in collaboration with Standard Bank. The AVS will ensure that the account numbers are valid and that the account number belongs to the respective electoral staff as captured on the ESS. The ID number will be used for the verification process.
7. **Application Renewal:** Some of the applications were developed long ago and they used outdated technologies that are no longer supported by Microsoft. Since 2004, the Commission has embarked on an application renewal process and the Ballot Paper Generation (BPG) and the Electoral Event Management (EEM) systems are currently being ported to the latest technologies. In addition to a technology upgrade, these systems are also being modified to improve their current functionality.

8. **Asset Management Solution:** The Commission is currently using the Barcoded Assets Audit (BAUD) system to manage the movement of assets. BAUD is still used purely because the existing asset management scanners cannot integrate directly with Solutions, Applications and Processes (SAP). To address the challenge that will ultimately result in the retirement of BAUD, an asset management solution that will be loaded on Zip-Zips is under development. Instead of procuring new scanners that can integrate with SAP, the Zip-Zips will be loaded with an application that will allow them to be used for managing assets. The solution will use the same architecture as the Voter Registration and Voter Participation solutions already loaded on the Zip-Zips. A common architecture will reduce the implementation costs of the asset management solution. The solution is currently undergoing testing.
9. **Call Centre:** In keeping with the strategy to have an informed electorate, the Commission continued to monitor and update systems for the Toll-free Call Centre. The Geographic Information System (GIS) Voting Station Finder was kept up to date with the latest official voting stations. Quality assurance was done on recorded telephone conversations with agents to improve on quality of service. A new Interactive Voice Response (IVR) application was developed to deal with calls following the closure of the voters' roll and queries relating to elections and voting results. The IVR improves services by increasing the Call Centre's capacity to service more callers and extend service hours to 24 hours, seven days a week. Coupled with the IVR, the Call Centre provided the electorate with all information on electoral matters (such as finding their correct voting stations, their registration status, parties, candidates, election processes, the election results as they came in, etc) in 11 official languages. On the eve of the elections (21 April 2009), the Call Centre received 47 952 calls and on Election Day (22 April 2009) the centre received 32 602 calls. Since 2009, the Call Centre was busiest in April with 166 601 calls. Once again the combination of the IVR and the SMS facility enabled the Commission to be accessible anytime from anywhere.

### Geographic Information Systems (GIS)

1. **GIS Support:** Aerial photographs and updated geospatial datasets were sourced in preparation for delimitation for the 2011 municipal elections. Using the updated aerial photographs with better resolution as a base reference, the latitude and longitude locations of all voting stations were reviewed and repositioned where necessary. Working with the Municipal Demarcation Board (MDB), the GIS unit initiated a joint MDB and Electoral Commission quality assurance process which was applied for the finalisation of the 2011 municipal boundary re-determinations and the drafting of the wards for the 2011 municipal elections. For the 2009 Atlas of Results, the GIS unit drafted the designs, created maps and contributed content. For the first time, the Atlas of Results includes maps and graphs showing the number of voters visiting voting stations and the times at which they took part in the elections. Also as a new addition, the Atlas will feature maps with descriptions and trend analysis. Over 3 895 A1 working maps and 300 municipal orientation maps were produced for the first phase of voting district delimitation for 2011 municipal elections. Ad hoc requests for specialised maps from internal and external parties (political parties, companies and citizens) were received and processed.
2. **Enhancement of geospatial data management:** Aerial and satellite geo-images which take up more computer storage space are now better managed in a compressed format residing in a spatial relational database management system. For various geospatial requirements such as bulk map production and mapping on the Voting Stations Operations (VSO) system, the aerial and satellite geo-images are served through a Web Map Service (WMS); a standard protocol for serving map images over the network.
3. **Enhancement of the VSO mapping component:** The previous VSO mapping component used for voting station location verification was very limited. The functionality only allowed the user to see the results of whether the geographic coordinates were inside the correct voting district and then showing a static image map of the results. The new VSO mapping service has the added functionality of full map navigation, distance measurement, getting attribute details for a voting district and the option of displaying either a map or a geo-image or both (hybrid).

## *EXPENDITURE RELATING TO SOCCER WORLD CUP FOR THE YEAR ENDED 31 MARCH 2010*

The Electoral Commission did not incur any expenditure relating to the Soccer World Cup during the year ended 31 March 2010. All expenditure relating to Soccer World Cup has been disclosed in the Annual Financial Statements in note 35 and relates to the year ending 31 March 2011.



## REPORT OF THE AUDIT COMMITTEE

# SECTION 4



## REPORT OF THE AUDIT COMMITTEE

The Audit Committee is pleased to present its report for the financial year ended 31 March 2010.

### 1. Audit Committee Members and Attendance

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

| Name of Member  | Attended | Apologies | Total |
|---|----------|-----------|-------|
| Mr J F J Scheepers (Chairperson)                          | 4        | 0         | 4     |
| Ms L Mamoepa (contract terminated February 2010)          | 1        | 0         | 1     |
| Adv R Dehal (appointed March 2009. Did not sign contract) | -        | -         | -     |
| Ms K Rapoo (appointed March 2010)                         | 1        | -         | 1     |
| Ms C H Wessels (appointed March 2010)                     | 1        | -         | 1     |

The External Auditors, Internal Auditors, Chief Electoral Officer (Accounting Officer) and Chief Financial Officer have a standing invitation to Audit Committee meetings and have attended most of the meetings during the year under review.

As a result of the contract of one member being terminated and a newly appointed member not having signed a contract, two meetings were held without a quorum being present. In order to proceed and discharge responsibilities at hand, paragraph 5.2 of the Audit Committee charter had been invoked and the relevant minutes were subsequently ratified at a properly constituted meeting.

### 2. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Treasury Regulations issued in terms of the Public Finance Management Act 1 of 1999(PFMA), as amended.

The Audit Committee also reports that it has adopted appropriate formal terms of reference contained in the Audit Committee charter as delegated to it by the Commission, 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 systems of control are designed to provide cost-effective assurance that assets are safeguarded and that liabilities and working capital are efficiently and effectively managed. In line with the PFMA and the King III Principles, Internal Audit provides the Audit Committee with assurance that the internal controls are appropriate and effective for the focus areas reviewed. This is achieved by means of the ongoing risk assessment process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The instances of non-compliance with statutory requirements, key governance responsibilities and prescribed policies and procedures reported in the various reports of the Internal Auditors, the audit report and management letter of the Auditor-General are noted with concern.

Management has acknowledged that these issues must be addressed and has given assurance that measures are being introduced to adequately address deficiencies, as well as to actively monitor implementation progress and ultimate efficacy.

The Audit Committee will also institute measures to receive regular feedback to avoid re-occurrence of these deficiencies.

#### **4. The quality of management, and monthly/quarterly reports submitted in terms of the PFMA**

As stated in our report of the previous year the implementation of a new computerised financial and administrative system turned out to be an onerous task and difficulties in achieving proper month-end close practices once again delayed the preparation of timely, quality annual financial statements. The integrity of interim financial reports might also be questionable.

The Audit Committee is of the opinion that a proper analysis of the situation should be undertaken to assist executive management to institute measures to address the root causes of the problems as a matter of urgency.

#### **5. Internal Audit**

The Chief Audit Executive submitted quarterly reports on internal audit findings in respect of audits performed by the co-sourced Internal Audit Activity as well as progress made with implementation of the audit plan approved by the Committee.

As a result of the delayed annual external audit for the previous year (for reasons mentioned above) as well as deficiencies in policies and procedures caused by the computer system, the Internal Audit function did not complete its audit plan in respect of the National Office of the Commission for the year.

The Committee is satisfied that the backlog will be taken care of as part of the Internal Audit plan for the ensuing year.

#### **6. Evaluation of Annual Financial Statements**

The Audit Committee has

- Reviewed and discussed the audited annual financial statements, including significant adjustments resulting from the audit, with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and the response of management thereto.

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



**J F J Scheepers**

Chairperson of the Audit Committee

31 July 2010





## REPORT OF THE AUDITOR-GENERAL

# SECTION 5

## REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE ELECTORAL COMMISSION FOR THE YEAR ENDED 31 MARCH 2010

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

I have audited the accompanying financial statements of the Electoral Commission, which comprise the statement of financial position as at 31 March 2010, and the 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 information, as set out on pages 111 to 138.

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

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Public Finance Management Act of South Africa, 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; and making accounting estimates that are reasonable in the circumstances.

#### Auditor-General's responsibility

As required by section 188 of the Constitution of South Africa and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the Electoral Commission Act, 1996 (Act No. 51 of 1996) (EC Act), my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Basis for qualified opinion

##### Administrative expenditure

As part of note 22, Administrative expenditure to the financial statements, an amount of R160 488 726 was incurred as lease rentals on operating leases and subsistence and traveling by the Electoral Commission. The following misstatements were identified in this regard:

I was unable to physically verify whether the temporary electoral staff did actually work during the national elections held in April 2009 and therefore conducted alternative procedures to verify

whether these employees should have been paid for services rendered. Because these payments were made based on a one-off event, the entity's records did not permit the application of alternative audit procedures in all instances for the expenditure incurred on subsistence and travelling included in administrative expenditure.

The Electoral Commission did not recognise all the lease expenditure on municipal electoral offices on a straight-line basis over the lease term in accordance with SA Standards of GRAP 13, *Leases*. The constitutional institution's records did not permit the application of alternative audit procedures regarding the expenditure on these operating leases included in administrative expenditure and the accrued liability.

Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence and accuracy of the expenditure incurred of R160 488 726 relating to lease rentals on operating leases and subsistence and traveling included as part of note 22, Administrative expenditure.

### **Commitments**

The entity could not provide sufficient appropriate audit evidence to support the value of the contractual commitments as disclosed in note 25, Contingencies and commitments. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all commitments were properly disclosed. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the existence, rights and obligations and completeness of commitments amounting to R236 835 908 as disclosed in note 25 to the annual financial statements.

### **Opinion**

In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Electoral Commission as at 31 March 2010, and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and in the manner required by the PFMA.

### **Emphasis of matter**

I draw attention to the matters below. My opinion is not modified in respect of these matters:

#### **Restatement of corresponding figures**

As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of an error discovered during financial year ending 31 March 2010 in the financial statements of the Electoral Commission at, and for the year ended, 31 March 2009.

#### **Irregular expenditure**

As disclosed in note 28 to the financial statements, irregular expenses to the amount of R14 600 771 were incurred due to the following reasons:

- An amount of R2 773 095 was identified as irregular expenditure due to non-compliance with Treasury Regulation 16A6.6 regarding contract TR46. Although a formal request had been submitted to the Contract Management section at the National Treasury to obtain permission to participate in this contract, at the time of this report no such approval had yet been received. In addition, no proof could be supplied that written confirmation was obtained from First Auto indicating their willingness to provide the services to the Electoral Commission in terms of the contract.
- Payments amounting to R11 827 676 were made by the Electoral Commission relating to goods and services between the value of R30 000 and R100 000 where the preferential

procurement system as required by the Preferential Procurement Policy Framework Act (Act No. 5 of 2000) (PPPF Act) was not followed.

### **Additional matters**

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

### **Unaudited supplementary schedules**

The supplementary information set out on pages 139 to 145 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In terms of the PAA of South Africa and *General notice 1570 of 2009*, issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the PFMA and financial management (internal control).

### **Findings**

#### **Predetermined objectives**

#### **Non-compliance with regulatory and reporting requirements**

The accounting officer did not ensure that the Electoral Commission has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.

The quarterly reports of the Electoral Commission did not track progress against outputs, indicators and targets as per the approved strategic plan and therefore did not facilitate effective performance monitoring and evaluation, as required by Treasury Regulation 5.3.1.

#### **Usefulness of information**

The following criteria were used to assess the usefulness of the planned and reported performance information:

- Consistency: Has the entity reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

- For the selected objectives, 53% of the planned and reported measures were not clear, with an unambiguous definition to allow for data to be collected consistently.
- For the selected objectives, 84% of the planned and reported targets were not time bound in specifying the time period or deadline for delivery.
- For the selected objectives, 46% of the planned and reported targets were not measurable in identifying the required performance.
- For the selected objectives, 31% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance.

## Compliance with laws and regulations

### PFMA and Treasury Regulations of 2005

#### Non-adherence to legislation

Contrary to the requirements of TR 8.2.3 and sections 38(1)(f) and 76(4)(b) of the PFMA, several payments due to creditors were settled after 30 days from receipt of an invoice.

The audit committee of the Electoral Commission did not consist of at least three members throughout the year in contradiction with sections 38 and 77 of the PFMA.

Due to the fact that internal audit did not complete a large part of its planned work for the financial year under review as approved in the annual internal audit plan, the internal audit function at the Electoral Commission was not effective as required by section 38 (1)(a)(ii) the PFMA read with the Treasury Regulations.

### PPPF Act and Preferential Procurement Regulations (PPR)

#### Non-adherence to legislation

In contradiction with Treasury Regulation 16A6.3 the accounting officer of the Electoral Commission did not ensure that bids were advertised in at least the *Government Tender Bulletin* for a minimum period of 21 days before closure without approval from the accounting officer.

## INTERNAL CONTROL

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the deficiencies identified during the audit.

### Leadership

The Electoral Commission did not have documented policies and procedures to guide the preparation of financial statements and reporting on predetermined objectives and to prevent non-compliance with certain laws and regulations. In addition management did not take corrective action on the following internal control deficiencies identified during our audit:

- Management and staff did not fulfil their duties and responsibilities with regard to the overall process of preparing financial statements and reporting on predetermined objectives.
- The Electoral Commission did not have sufficient monitoring controls to ensure the proper implementation of the overall process of planning, monitoring and reporting on predetermined objectives.
- The Electoral Commission did not have key controls to address the systems of collection, collation, verification and storage of performance information.
- During and throughout the audit, several Electoral Commission staff members key to the audit process were not available to readily assist the auditors with queries and provide the auditors with requested information and responses on findings issued on both financial issues and issues relating to the audit of reporting on predetermined objectives.

### Financial and performance management

The Electoral Commission did not have reliable information systems for the preparation of the financial statements and the report on predetermined objectives. The following internal control deficiencies were identified in the management of financial reporting and the reporting on predetermined objectives:

- Pertinent information for the financial statements and reporting on predetermined objectives was not identified and captured in the prescribed form and time frame.



- The financial statements and other information to be included in the annual report were not reviewed for completeness and accuracy prior to submission for audit.
- The financial statements were subject to material amendments resulting from the audit.
- Requested information on the financial statements and reporting on predetermined objectives was not available and supplied without any significant delay.
- Manual or automated controls were not designed to ensure that the transactions had occurred, were authorised, and were completely and accurately processed.

### Governance

The following internal control deficiencies were identified in the governance oversight at the Electoral Commission:

- Internal controls were not selected and developed to prevent / detect and correct material misstatements in financial reporting and reporting on predetermined objectives.
- The internal audit division did not function effectively during the financial year under review, as it did not complete a large portion of its planned work for the year.
- The audit committee did not consist of at least three members throughout the year in contradiction with sections 38 and 77 of the PFMA, due to vacant positions.

## OTHER REPORTS

### Investigations

#### Investigations in progress

Investigations are being conducted by an independent consulting firm at the request of the entity. The investigations were initiated based on the allegation of possible contravention of the procurement policies. An employee stands accused of misinforming and misrepresenting information regarding bids received for cleaning services and supplying other goods to the Electoral Commission to favour one supplier.

#### Investigations completed during the financial year

Investigations were conducted by an independent consulting firm at the request of the entity. The investigations were initiated based on allegations of:

- Theft of petty cash amounting to R1 000 by an employee for personal use. The investigation resulted in the dismissal of the former employee.
- Theft of amounts to the value of R2 400. Part of the amount consisted of petty cash. The employee also purchased goods and paid for services that were intended for personal use through the Electoral Commission's electronic transfer system. The investigation resulted in the dismissal of the former employee.



PRETORIA

31 July 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



**ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2010

# **SECTION 6**

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## Statement of Financial Position as at 31 March 2010

| Figures in Rand                                       | Note(s) | 2010               | 2009               |
|---|---------|--------------------|--------------------|
| <b>Assets</b>   |         |                    |                    |
| <b>Current Assets</b>                                 |         |                    |                    |
| Inventories   | 4       | 9,062,529          | 54,813,038         |
| Trade and other receivables from exchange transaction | 5       | 12,456,038         | 8,128,049          |
| Prepayments   | 6       | 5,717,596          | 2,847,881          |
| Cash and cash equivalents                             | 7       | 228,483,900        | 237,308,352        |
| Non-current assets held for sale                      | 8       | 2,630,639          | 1,139,029          |
|   |         | <b>258,350,702</b> | <b>304,236,349</b> |
| <b>Non-Current Assets</b>                             |         |                    |                    |
| Property, plant and equipment                         | 9       | 236,017,829        | 264,874,964        |
| Intangible assets                                     | 10      | 38,573,786         | 40,407,773         |
|   |         | <b>274,591,615</b> | <b>305,282,737</b> |
| <b>Total Assets</b>                                   |         | <b>532,942,317</b> | <b>609,519,086</b> |
| <b>Liabilities</b>                                    |         |                    |                    |
| <b>Current Liabilities</b>                            |         |                    |                    |
| Operating lease liability                             | 11      | 1,167,157          | 983,549            |
| Trade and other payables from exchange transaction    | 12      | 31,089,178         | 130,112,873        |
| Unspent conditional grants and receipts               | 13      | -                  | 1,243              |
| Provisions  | 14      | 1,686,654          | 769,601            |
| Foreign and local aid assistance                      | 15      | 580,523            | -                  |
|   |         | <b>34,523,512</b>  | <b>131,867,266</b> |
| <b>Non-Current Liabilities</b>                        |         |                    |                    |
| Operating lease liability                             | 11      | -                  | 1,078,447          |
| <b>Total Liabilities</b>                              |         | <b>34,523,512</b>  | <b>132,945,713</b> |
| <b>Net Assets</b>                                     |         | <b>498,418,805</b> | <b>476,573,373</b> |
| <b>Net Assets</b>                                     |         |                    |                    |
| Accumulated surplus                                   |         | 498,418,800        | 476,573,377        |



ADV FDP TLAKULA

30 July 2010

DATE

CHIEF ELECTORAL OFFICER

## Statement of Financial Performance

| Figures in Rand                               | Note(s) | 2010                 | 2009                 |
|---|---------|----------------------|----------------------|
| <b>Revenue</b>                                | 16      |                      |                      |
| <b>Revenue from exchange transactions</b>     |         |                      |                      |
| Political party registration fees             |         | 2,600                | 23,500               |
| Investment income                             |         | 20,030,445           | 25,424,886           |
| Other operating revenue                       | 17      | 323,095              | 2,716,850            |
| <b>Revenue from non-exchange transactions</b> |         |                      |                      |
| Parliamentary allocation                      |         | 937,233,000          | 1,039,393,000        |
| Sponsorship income                            |         | 4,250,000            | -                    |
| <b>Total revenue</b>                          |         | <b>961,839,140</b>   | <b>1,067,558,236</b> |
| <b>Expenditure</b>                            |         |                      |                      |
| Employee related costs                        | 18      | (292,978,019)        | (275,051,025)        |
| Depreciation and amortisation                 | 19      | (43,211,568)         | (35,432,586)         |
| Impairment loss                               | 20      | (66,326)             | -                    |
| Finance costs                                 | 21      | (1,036,736)          | (186,973)            |
| Debt impairment                               |         | (125,638)            | 29,665               |
| Repairs and maintenance                       |         | (5,641,644)          | (7,538,936)          |
| Miscellaneous expenditure                     |         | (6,873)              | (935)                |
| Administrative expenditure                    | 22      | (596,922,703)        | (609,073,678)        |
| <b>Total expenditure</b>                      |         | <b>(939,989,507)</b> | <b>(927,254,468)</b> |
| Deficit on exchange differences               |         | (4,206)              | (226)                |
| <b>Surplus for the period</b>                 |         | <b>21,845,427</b>    | <b>140,303,542</b>   |

## Statement of Changes in Net Assets for the year ended 31 March 2010

| Figures in Rand                               | Note(s) | Accumulated surplus | Total net assets   |
|---|---------|---------------------|--------------------|
| <b>Balance at 31 March 2008</b>               |         | <b>331,210,637</b>  | <b>331,210,637</b> |
| Correction of error                           | 29      | 5,059,198           | 5,059,198          |
| <b>Restated balance as at 31 March 2008</b>   |         | <b>336,269,835</b>  | <b>336,269,835</b> |
| Surplus for the period                        |         | 140,303,542         | 140,303,542        |
| <b>Opening balance as previously reported</b> |         | <b>465,299,420</b>  | <b>465,299,420</b> |
| Correction of error                           | 29      | 6,214,758           | 6,214,758          |
| Prior year adjustments                        |         | 5,059,198           | 5,059,198          |
| <b>Balance at 01 April 2009 as restated</b>   |         | <b>476,573,373</b>  | <b>476,573,373</b> |
| Surplus for the period                        |         | 21,845,427          | 21,845,427         |
| <b>Balance at 31 March 2010</b>               |         | <b>498,418,800</b>  | <b>498,418,800</b> |

## Cash Flow Statement for the year ended 31 March 2010

| Figures in Rand   | Note(s) | 2010                       | 2009                        |
|---|---------|----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                 |         |                            |                             |
| <b>Cash receipts from customers</b>                         |         |                            |                             |
| Income received   |         | 961,839,140                | 1,067,558,236               |
| Prior year accounts receivables                             |         | 8,128,049                  | 8,000,179                   |
| Prior year prepayments                                      |         | 2,847,881                  | 4,167,202                   |
| Investment income   |         | (20,030,445)               | (25,424,886)                |
| Current year accounts receivables                           |         | (12,456,038)               | (8,128,049)                 |
| Current year prepayments                                    |         | (5,717,596)                | (2,847,881)                 |
|   |         | <u>934,610,991</u>         | <u>1,043,324,801</u>        |
| <b>Cash paid to suppliers and employees</b>                 |         |                            |                             |
| Total expenses  |         | (939,993,722)              | (927,254,694)               |
| Finance costs   |         | 1,036,736                  | 186,973                     |
| Prior year inventory  |         | 54,813,038                 | 1,334,020                   |
| Depreciation and amortisation                               |         | 43,211,568                 | 35,432,586                  |
| Impairment  |         | 66,326                     | -                           |
| Current year total liabilities                              |         | 34,523,517                 | 132,945,709                 |
| Prior year total liabilities                                |         | (132,945,709)              | (75,590,839)                |
| Current year inventory                                      |         | (9,062,529)                | (54,813,038)                |
|   |         | <u>(948,350,775)</u>       | <u>(887,759,283)</u>        |
|   |         | <b>(13,739,784)</b>        | <b>155,565,518</b>          |
| Investment income   |         | 20,030,445                 | 25,424,886                  |
| Finance costs   |         | (1,036,736)                | (186,973)                   |
| <b>Net cash flows from operating activities</b>             | 24      | <b><u>5,253,925</u></b>    | <b><u>180,803,431</u></b>   |
| <b>Cash flows from investing activities</b>                 |         |                            |                             |
| Purchase of property, plant and equipment                   | 9       | (11,779,570)               | (220,169,482)               |
| Proceeds from sale of property, plant and equipment         |         | 1,321,323                  | 769,484                     |
| Purchase of intangible assets                               | 10      | (4,268,621)                | (15,239,350)                |
| Disposal of assets held for sale                            |         | 648,491                    | 588,956                     |
| <b>Net cash flows from investing activities</b>             |         | <b><u>(14,078,377)</u></b> | <b><u>(234,050,392)</u></b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b>(8,824,452)</b>         | <b>(53,246,961)</b>         |
| Cash and cash equivalents at the beginning of the year      |         | <u>237,308,352</u>         | <u>290,555,322</u>          |
| <b>Cash and cash equivalents at the end of the year</b>     | 7       | <b><u>228,483,900</u></b>  | <b><u>237,308,361</u></b>   |

## Accounting Policies for the year ended 31 March 2010

The Electoral Commission (the "Commission") is an entity created by the constitution of the Republic of South Africa (Act 108 of 1996) to promote and safeguard representative democracy in South Africa. The Commission is publicly funded and accountable to Parliament, yet independent of government. Its core function is the impartial management of free and fair elections in all areas of government.

### 1. Basis of preparation

#### Statement of compliance

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

#### Functional and presentation currency

The financial statements are presented in Rands, which is the Commissions functional currency. All financial information presented in Rands has been rounded to the nearest rand.

#### Use of estimates and judgments

The preparation of the financial statements in conformity with GRAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following significant assumptions, estimates and judgments are included: Operating lease straight-lining:

The operating lease liability on a straight line - bases over the lease term. Management has made estimates to the liability on the liability on contractual basis and on the escalation clause over the lease period. additional details regarding the estimates are included in note 1.5 and 15 - Operating lease straight-lining.

#### Provisions, Contingents and commitments

Provisions were raised and management determined an estimates based on the information available. Additional disclosure of these estimates of provisions are included in note 1.9 and 14.

Contingencies recognised in the current year required estimates and judgment refer to note 1.9 and 25.

#### Changes in accounting policies

##### Overview

Starting as of 1 April 2009, the Commission has changed its accounting policy in the following area:



## Accounting Policies for the year ended 31 March 2010

### Accounting for revenue from non-exchange transactions

As a consequence of the requirements of paragraphs 20 and 21 of Directive 5 *Determining the GRAP Reporting Framework* which note that IFRSs should not be applied if they are in conflict with the ASB's *Framework for the Preparation and Presentation of Financial Statements* or existing Standards of GRAP or IPSASs, the Commission has considered the requirements of GRAP 23 *Revenue from Non-exchange Transactions (Transfers and Taxes)* in formulating an appropriate accounting policy (i.e. determining the appropriate recognition and measurement requirements to be used) to account for its grant, transfers and other non-exchange revenue.

Under the new accounting policy, assets and revenue arising from transfer transactions are recognised in the period in which the transfer arrangement becomes binding, except for some services in-kind. Where a transfer is subject to conditions that if unfulfilled, require the return of the transferred resources, the Commission recognises a liability until the condition is fulfilled.

Assets and revenue recognised as a consequence of a transfer are measured at the fair value of the assets recognised as at the date of recognition. Monetary assets are measured at their nominal value unless the time value of money is material, in which case present value is used, calculated using a discount rate that reflects the risk inherent in holding the asset. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivables are recognised when a binding transfer arrangement is in place but cash or other assets have not been received.

#### 1.1 Revenue

##### Revenue from exchange transactions

Rendering of services / Sale of goods

Revenue from the rendering of services or sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, the recovery of the consideration is probable, the associated costs and possible return of goods can be measured reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

##### Revenue from non-exchange transactions

The Commission has the following classes of revenue from non exchange transactions:

- **Parliamentary allocations** - is 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.
- **Sponsorship income** - recognised in the year of receipt as other income

#### 1.2 Translation of foreign currencies

##### Foreign currency transactions

Transactions in foreign currencies (mainly the purchase of forex for overseas subsistence travel allowances) are translated to the respective functional currencies of the Commission at the exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in surplus or deficit. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## Accounting Policies for the year ended 31 March 2010

### 1.3 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment. Subsequent costs are capitalised and 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 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 are written down to their recoverable amounts.

Impairment loss is recognised in the statement of financial performance.

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 recognised.

Artwork is not depreciated and is carried at cost.

The expected useful lives for the current and comparative periods are as follows:

|                               |               |
|-------------------------------|---------------|
| Pre - fabricated buildings    | 10 years      |
| Furniture and fittings        | 10 - 15 years |
| Motor vehicles                | 5 years       |
| Office machines and equipment | 8 - 10 years  |
| Computer equipment            | 3 - 10 years  |
| Leasehold improvements        | 1 year        |
| Scanners                      | 10 years      |
| Cell phones                   | 3 years       |
| Appliances                    | 8 - 10 years  |

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## Accounting Policies for the year ended 31 March 2010

### 1.4 Intangible assets

The following items are classified as intangible assets:

- Acquired computer software and acquired computer software licences where licence costs cannot be separated from software costs.

Intangible assets acquired by the Commission 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 with finite useful lives are subsequently measured at cost, less accumulated amortisation and any accumulated impairment. Amortisation is recognised as surplus or deficit on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. If the expected useful life of the asset is different from the previous estimate, the amortisation period shall be changed accordingly. Such changes are accounted for as changes in the accounting estimate. The expected average useful lives is five to eight years.

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 will be measured reliably. Maintenance fees are recognised in the statement of financial performance during the financial period in which they are incurred.

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.

### 1.5 Leases

#### Operating leases

Office rentals and rented equipment are classified as operating leases if the lessor effectively retains all 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.

### 1.6 Inventories

Inventories are measured 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 and electoral supplies are valued using the weighted average costing method

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred to bring them to their existing location and condition.

### 1.7 Financial instruments

#### Non derivative financial assets

The Commission initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Commission becomes a party to the contractual provisions of the instrument.

The Commission derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Commission is recognised as a separate asset or liability.

## Accounting Policies for the year ended 31 March 2010

### 1.7 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Commission has the following non-derivative financial assets: loans and receivables.

#### Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables from exchange transaction and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

#### Non-derivative financial liabilities

The Commission initially recognised its financial liabilities on the trade date at which it becomes a party to the contractual provisions of the instrument. The Commission derecognised a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Commission has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Commission has the following non-derivative financial liabilities: trade and other payables from exchange transactions.

#### **Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### 1.8 Impairments

#### Financial assets

The Commission assesses at each reporting date whether there is any objective evidence that a financial asset (or a group of financial assets) is impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### Loans and receivables

For financial assets classified as 'Loans and receivables' the Commission first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Commission determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit loss that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate.

## Accounting Policies for the year ended 31 March 2010

### 1.8 Impairments (continued)

#### Loans and receivables (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carry amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of 'Investment income' in the statement of financial performance'. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Commission. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised the previously impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of financial performance.

#### Non-financial assets

The Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Commission estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the impairment loss the Commission determines all the assets identified as impaired during the financial period at an average of fifteen percent.

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

### 1.9 Provisions and contingencies

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 provision due to the passage of time is recognised as a borrowing cost. The following provision were made during the financial period:

- **Provision for workmen's compensation** - The commission made a provision for the estimated liability for workman compensation in respect of average employees as at financial period end, calculated based on the standard rate per legislation, Note 14.

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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 25.

### 1.10 Employee Benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees rendered the service are discounted to their present value.

## Accounting Policies for the year ended 31 March 2010

### 1.10 Employee Benefits (continued)

#### Short-term employee benefits

Short-term employee benefit obligations (including accrued leave pay) are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Commission has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 1.11 Comparative figures

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

### 1.12 Investment income and finance costs

Investment income comprises interest income on funds. Investment income is recognised as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis. Finance costs comprise interest expense on accounts payable.

### 1.13 Unauthorised expenditure

*Unauthorised expenditure means:*

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

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

### 1.14 Fruitless and wasteful expenditure

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

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

### 1.15 Irregular expenditure

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

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

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.

## *Accounting Policies for the year ended 31 March 2010*

### **1.16 Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- RPPF - Represented Political Party Funding
- Key management personnel includes executive management and commissioners

### **1.17 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 useful life of the related asset.

### **1.18 Non-current assets held for sale**

The classification principle of non-current assets held for sale used by the Commission applies to assets that will be recovered primarily through sale rather than through continuing use. For this to be the case, the asset must be available for sale in its present condition and the sale must be highly probable. An asset is highly probable for sale when the appropriate level of management approval and commitment to a plan to sell the asset has been obtained and the sale is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

## Accounting Policies for the year ended 31 March 2010

### 2. Changes 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.

### 3. New standards and interpretations

The following standards/interpretation will be adopted by the Commission in the 2011 financial statements:

| Number   | Title  | Effective date<br>(Years beginning<br>on or after) | Expected<br>impact   |
|----------|--|--|--|
| GRAP 21  | Impairment of Non-cash<br>generating Assets                        | 1 April 2010                                       | Material impact unlikely   |
| GRAP 23  | Revenue from Non-Exchange<br>Transactions (Taxes and<br>Transfers) | 1 April 2010                                       | Additional disclosure<br>required  |
| GRAP 24  | Presentation of Budget information<br>in Financial Statements      | 1 April 2010                                       | Additional disclosure<br>required  |
| GRAP 25  | Employee Benefits  | 1 April 2010                                       | Material impact unlikely   |
| GRAP 26  | Impairment of Cash-generating<br>Assets                            | 1 April 2010                                       | Requirements of GRAP<br>26 are similar to the<br>requirements of IAS 36<br>Impairment of assets<br>applied by the<br>Commission during the<br>2009/2010 financial year.  |
| GRAP 104 | Financial instruments  | 1 April 2010                                       | The categorisation of<br>financial instruments will be<br>simplified. No material impact<br>is expected on the<br>measurement of financial<br>instruments as the<br>measurement basis of the<br>Commissions financial<br>instruments is expected to<br>remain unchanged (ie<br>amortised cost and at fair<br>value). |
| GRAP 103 | Heritage Assets  | 1 April 2010                                       | Material impact unlikely   |
| GRAP 18  | Segment reporting  | 1 April 2011                                       | Material impact unlikely   |



## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand       | 2010             | 2009              |
|-----------------------|------------------|-------------------|
| <b>4. Inventories</b> |                  |                   |
| Consumable stores     | 558,099          | 927,442           |
| Electoral stock       | 7,842,626        | 53,762,120        |
| Promotional Items     | 661,804          | 123,476           |
|                       | <b>9,062,529</b> | <b>54,813,038</b> |

Electoral stock relates to stock that was acquired before year end in preparation for elections.

### 5. Trade and other receivables from exchange transaction

|                               |                   |                  |
|-------------------------------|-------------------|------------------|
| Trade debtors                 | 8,903,720         | 200,125          |
| Deposits                      | 1,346,601         | 1,102,425        |
| Accrued interest              | 498,281           | 706,630          |
| Sundry                        | 2,014,450         | 2,073,296        |
| Department of Foreign Affairs | -                 | 4,356,101        |
| Anglo American                | -                 | 501,854          |
| Less: Impairment              | (307,014)         | (812,382)        |
|                               | <b>12,456,038</b> | <b>8,128,049</b> |

Impairment 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.

Included in the amount of trade debtors is an amount of R7 366,454.00 for Telkom which has been received subsequent to financial year end.

### 6. Prepayments

|             |           |           |
|-------------|-----------|-----------|
| Prepayments | 5,717,596 | 2,847,881 |
|-------------|-----------|-----------|

### 7. 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.

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Cash on hand        | 190,317            | 252,210            |
| Bank balances       | 24,584,894         | 70,361,621         |
| Short-term deposits | 203,708,689        | 166,694,521        |
|                     | <b>228,483,900</b> | <b>237,308,352</b> |

The notice deposits are carried at an effective floating interest rate that varied between 6.9% and 7.4% (2009: 8.54% and 10.68%).

Included in the above balances is an amount R 580 523 (2009: R 0.00) not utilised for foreign and local aid assistance.

## Notes to the Annual Financial Statements for the year ended 31 March 2010

Figures in Rand

### 8. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of assets classified as held for sale are recognised in surplus or deficit.

#### 2010

|                               | Cost               | Accumulated depreciation | Book value       |
|-------------------------------|--------------------|--------------------------|------------------|
| Opening balance               | 112,830,120        | (111,691,091)            | 1,139,029        |
| Computer Equipment            | 8,431,659          | (8,430,151)              | 1,508            |
| Office Machines and Equipment | 137,199            | (136,480)                | 719              |
| Furniture and Fittings        | 31,195             | (1,484)                  | 29,711           |
| Appliances                    | 2,515              | (2,513)                  | 2                |
| Cellphones                    | 3,099              | (2,898)                  | 201              |
| Motor vehicles                | 5,889,701          | (3,781,741)              | 2,107,960        |
|                               | <b>127,325,488</b> | <b>(124,046,358)</b>     | <b>3,279,130</b> |
| Less: Disposals               | (5,855,116)        | 5,206,625                | (648,491)        |
|                               | <b>121,470,372</b> | <b>(118,839,733)</b>     | <b>2,630,639</b> |

#### 2009

|                                 | Cost               | Accumulated depreciation | Book value       |
|---------------------------------|--------------------|--------------------------|------------------|
| Computer equipment              | 35,950,967         | (34,301,167)             | 1,649,800        |
| Scanners                        | 85,612,635         | (85,612,634)             | 1                |
| Office machines and equipment   | 768,205            | (709,053)                | 59,152           |
| Furniture and fittings          | 53,466             | (36,648)                 | 16,818           |
| Appliances                      | 10,830             | (8,717)                  | 2,113            |
| Cellphones                      | 32,748             | (32,736)                 | 12               |
| Low value assets                | 43,527             | (43,438)                 | 89               |
| Less: Disposals                 | (9,642,258)        | 9,053,302                | (588,956)        |
|                                 | <b>112,830,120</b> | <b>(111,691,091)</b>     | <b>1,139,029</b> |
| Sale of assets 2009             | 12,022             | (56,376)                 | (44,354)         |
| Prior year adjustments          |                    | (4)                      | (4)              |
| <b>Balance - 2009 Disposals</b> | <b>12,022</b>      | <b>(56,380)</b>          | <b>(44,358)</b>  |
| Sale of assets 2010             | 28,663             | (503,757)                | (475,094)        |
| Assets write off 2010           |                    | (27,894)                 | (27,894)         |
| <b>Balance - 2010 Disposals</b> | <b>28,663</b>      | <b>(531,651)</b>         | <b>(502,988)</b> |

The financial figures disclosed as "non - current assets held for sale" represent assets approved by the Electoral Commission for disposal via public auction. The assets will be disposed during the 2011 financial year.

## Notes to the Annual Financial Statements for the year ended 31 March 2010

### 9. Property, plant and equipment

|                          | 2010                |                             | 2009               |                     | Carrying value     |
|--------------------------|---------------------|-----------------------------|--------------------|---------------------|--------------------|
|                          | Cost /<br>Valuation | Accumulated<br>depreciation | Carrying value     | Cost /<br>Valuation |                    |
| Pre-fabricated buildings | 656,309             | (520,700)                   | 135,609            | 651,289             | 170,073            |
| Furniture and fittings   | 22,359,000          | (10,087,110)                | 12,271,890         | 19,143,962          | 9,945,812          |
| Motor vehicles           | 18,134,754          | (5,009,574)                 | 13,125,180         | 24,715,428          | 18,248,023         |
| Office equipment         | 27,539,639          | (12,083,324)                | 15,456,315         | 24,290,085          | 13,572,123         |
| Computer equipment       | 86,379,090          | (37,817,353)                | 48,561,737         | 93,314,974          | 58,978,895         |
| Leasehold improvements   | 2,758,455           | (1,487,132)                 | 1,271,323          | 2,758,455           | 1,893,015          |
| Scanners                 | 169,437,069         | (25,438,771)                | 143,998,298        | 169,448,366         | 160,952,736        |
| Artwork                  | 428,496             | (145)                       | 428,351            | 509,746             | 490,700            |
| Communication equipment  | 535                 | (79)                        | 456                | 3,099               | 201                |
| Appliances               | 1,239,456           | (470,786)                   | 768,670            | 997,635             | 623,386            |
| <b>Total</b>             | <b>328,932,803</b>  | <b>(92,914,974)</b>         | <b>236,017,829</b> | <b>335,833,039</b>  | <b>264,874,964</b> |

### Reconciliation of property, plant and equipment - 2010

|                          | Opening<br>Balance | Additions         | Disposals          | Transfers          | Depreciation        | Impairment<br>loss | Closing<br>Balance |
|--------------------------|--------------------|-------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| Pre-fabricated buildings | 170,073            | 5,020             | -                  | -                  | (39,484)            | -                  | 135,609            |
| Furniture and fittings   | 9,945,812          | 3,922,113         | (204,655)          | 25,041             | (1,386,896)         | (29,525)           | 12,271,890         |
| Motor vehicles           | 18,248,023         | 390,084           | (739,767)          | (2,107,960)        | (2,665,200)         | -                  | 13,125,180         |
| Office equipment         | 13,572,123         | 4,459,699         | (133,588)          | (441)              | (2,428,755)         | (12,723)           | 15,456,315         |
| Computer equipment       | 58,978,895         | 2,738,251         | (224,381)          | (1,507)            | (12,907,150)        | (22,371)           | 48,561,737         |
| Leasehold improvements   | 1,893,015          | -                 | -                  | -                  | (621,692)           | -                  | 1,271,323          |
| Scanners                 | 160,952,736        | -                 | (9,601)            | -                  | (16,944,837)        | -                  | 143,998,298        |
| Artwork                  | 490,700            | 700               | (8,152)            | (54,752)           | -                   | (145)              | 428,351            |
| Cell phones              | 201                | 535               | -                  | (201)              | (79)                | -                  | 456                |
| Low Value Assets         | -                  | -                 | -                  | -                  | -                   | -                  | -                  |
| Appliances               | 623,386            | 263,168           | (1,179)            | (2)                | (115,141)           | (1,562)            | 768,670            |
| <b>Total</b>             | <b>264,874,964</b> | <b>11,779,570</b> | <b>(1,321,323)</b> | <b>(2,139,822)</b> | <b>(37,109,234)</b> | <b>(66,326)</b>    | <b>236,017,829</b> |

## Notes to the Annual Financial Statements for the year ended 31 March 2010

Figures in Rand

### 9. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2009

|                          | Opening<br>Balance | Additions          | Disposals        | Transfers          | Depreciation        | Closing<br>Balance |
|--------------------------|--------------------|--------------------|------------------|--------------------|---------------------|--------------------|
| Pre-fabricated buildings | 234,465            |                    |                  | (5)                | (64,387)            | 170,073            |
| Furniture and fixtures   | 9,962,802          | 1,430,054          | (55,156)         | (262,190)          | (1,129,698)         | 9,945,812          |
| Motor vehicles           | 19,899,999         | 1,280,542          | (431,841)        | (1)                | (2,500,676)         | 18,248,023         |
| Office equipment         | 9,525,302          | 6,118,879          | (27,736)         | (12,639)           | (2,031,683)         | 13,572,123         |
| IT equipment             | 30,268,396         | 41,201,548         | (254,613)        | (1,656,165)        | (10,580,271)        | 58,978,895         |
| Leasehold improvements   | 2,696,429          | 62,026             | -                | -                  | (865,440)           | 1,893,015          |
| Scanners                 | 4,964,012          | 169,448,366        | -                | (3)                | (13,459,639)        | 160,952,736        |
| Artwork                  | 440,936            | 107,130            | -                | (50,026)           | (7,340)             | 490,700            |
| Cell phones              | 208                | -                  | -                | (5)                | (2)                 | 201                |
| Low Value Assets         | -                  | 205,472            | -                | 288,280            | (493,752)           | -                  |
| Assets Held for Sale     | -                  | -                  | -                | -                  | -                   | -                  |
| Appliances               | 422,277            | 315,465            | (138)            | (35,771)           | (78,447)            | 623,386            |
|                          | <b>78,414,826</b>  | <b>220,169,482</b> | <b>(769,484)</b> | <b>(1,728,525)</b> | <b>(31,211,335)</b> | <b>264,874,964</b> |

### 10. Intangible assets

|                   | 2010                |                             |                | 2009                |                             |                |
|-------------------|---------------------|-----------------------------|----------------|---------------------|-----------------------------|----------------|
|                   | Cost /<br>Valuation | Accumulated<br>amortisation | Carrying value | Cost /<br>Valuation | Accumulated<br>amortisation | Carrying value |
| Computer software | 50,657,181          | (12,083,395)                | 38,573,786     | 46,388,437          | (5,980,664)                 | 40,407,773     |

#### Reconciliation of intangible assets - 2010

|                   | Opening<br>Balance | Additions | Transfers | Amortisation | Closing<br>Balance |
|-------------------|--------------------|-----------|-----------|--------------|--------------------|
| Computer software | 40,407,773         | 4,268,621 | (278)     | (6,102,330)  | 38,573,786         |

#### Reconciliation of intangible assets - 2009

|                   | Opening<br>Balance | Additions  | Transfers | Amortisation | Closing<br>Balance |
|-------------------|--------------------|------------|-----------|--------------|--------------------|
| Computer software | 29,389,673         | 15,239,350 | 2         | (4,221,252)  | 40,407,773         |

### 11. Operating Lease Straight-lining

Operating leases relate to building rental for premises used for office accommodation.

## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand   | 2010              | 2009               |
|---|-------------------|--------------------|
| <b>12. Trade and other payables from exchange transaction</b> |                   |                    |
| Trade payables  | 27,273,577        | 100,734,532        |
| Deposits received   | 38,000            | 11,070,050         |
| Sundry Creditors  | 2,747,829         | 8,558,872          |
| Cheques and EFT's not presented for payments                  | 1,029,772         | 9,749,419          |
|   | <b>31,089,178</b> | <b>130,112,873</b> |

### 13. Unspent conditional grants and receipts

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

|                               |   |       |
|-------------------------------|---|-------|
| Office of the premier-Limpopo | - | 1,243 |
|-------------------------------|---|-------|

#### Movement during the year

|                                      |   |       |
|--------------------------------------|---|-------|
| Balance at the beginning of the year | - | 1,243 |
|--------------------------------------|---|-------|

### 14. Provisions

#### Reconciliation of provisions - 2010

|                        | Opening Balance | Additions | Closing Balance |
|------------------------|-----------------|-----------|-----------------|
| Workman's Compensation | 769,601         | 917,053   | 1,686,654       |

#### Reconciliation of provisions - 2009

|                        | Opening Balance | Additions | Utilised during the year | Closing Balance |
|------------------------|-----------------|-----------|--------------------------|-----------------|
| Workman's Compensation | 331,370         | 769,601   | (331,370)                | 769,601         |

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

### 15. Foreign and local aid assistance

Anglo American pledged an amount of R 2 000 000 in 2009 year end for domestic observer training and voter education. This amount was received in 2010 year end. Expenses to the value of R 501 854 were incurred in 2009 and Anglo American was recognised as a debtor to this value. In the current financial year expenses to the value of R 917 623 were incurred. Amount not utilised as at the reporting date is R 580 523.

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 as a current liability.

|                |         |   |
|----------------|---------|---|
| Anglo American | 580,523 | - |
|----------------|---------|---|

## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand   | 2010               | 2009                 |
|---|--------------------|----------------------|
| <b>16. Revenue</b>  |                    |                      |
| <b>Revenue from exchange transactions</b>   |                    |                      |
| Political party registration fees   | 2,600              | 23,500               |
| Investment income   | 20,030,445         | 25,424,886           |
| Other operating revenue   | 323,095            | 2,716,850            |
| <b>Revenue from non-exchange transactions</b>   |                    |                      |
| Parliamentary allocation  | 937,233,000        | 1,039,393,000        |
| Sponsorship Income  | 4,250,000          | -                    |
|   | <b>961,839,140</b> | <b>1,067,558,236</b> |
| The introduction of the of GRAP 23 in the current Financial period has resulted in the change in the presentation of the revenue in the Statement of Financial performance. The change has not resulted in retrospective or prospective changes in the retained surpluses |                    |                      |
| <b>17. Other operating revenue</b>  |                    |                      |
| Deferred income   | 1,243              | 601,694              |
| Tender deposits   | 52,300             | 122,500              |
| Elections related revenue   | 9,276              | 90,402               |
| Commission income   | 33,736             | 29,274               |
| SMS Services  | 1,899              | 162,010              |
| Profit on sales scrap assets  | -                  | 12,578               |
| Other operating income  | 224,641            | 1,698,392            |
|   | <b>323,095</b>     | <b>2,716,850</b>     |
| <b>18. Employee related costs</b>   |                    |                      |
| Wages and salaries  | 255,905,686        | 270,455,867          |
| Employer contributions  | 34,217,860         | 14,017,864           |
| Gratuities  | 2,283,608          | (9,985,185)          |
| Remuneration allowances   | 233,965            | 162,449              |
| Relocation costs  | 336,900            | 400,030              |
|   | <b>292,978,019</b> | <b>275,051,025</b>   |
| <b>19. Depreciation and amortisation</b>  |                    |                      |
| Depreciation  | 37,109,238         | 31,211,335           |
| Amortisation  | 6,102,330          | 4,221,251            |
|   | <b>43,211,568</b>  | <b>35,432,586</b>    |
| <b>20. Impairment of assets</b>   |                    |                      |
| Property, plant and equipment   | 66,326             | -                    |

## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand                         | 2010               | 2009               |
|---|--------------------|--------------------|
| <b>21. Finance costs</b>                |                    |                    |
| Finance Costs                           | 690,585            | 168,458            |
| Interest paid                           | 346,151            | 18,515             |
|   | <b>1,036,736</b>   | <b>186,973</b>     |
| <b>22. Administrative expenditure</b>   |                    |                    |
| Audit fees                              | 5,582,245          | 4,532,252          |
| Advertising                             | 1,515,932          | 6,907,993          |
| Bank charges                            | 2,657,346          | 1,453,169          |
| Cleaning Services                       | 1,087,993          | 940,420            |
| Commission paid                         | 19,935             | 9,997              |
| Conferences and workshop meals          | 15,112,859         | 18,348,904         |
| Insurance                               | 1,091,399          | 1,584,452          |
| Conferences and seminars                | 29,914,397         | 40,844,453         |
| Lease rentals on operating lease        | 39,464,538         | 44,969,159         |
| Magazines, books and periodicals        | 640,112            | 395,939            |
| Medical expenses                        | 9,694              | 365                |
| Printing, stationery and other supplies | 60,155,129         | 18,097,617         |
| Postage and courier                     | 2,366,697          | 761,238            |
| Printing and stationery                 | 7,161,093          | 18,705,864         |
| Promotional stock                       | 1,010,257          | 1,583,295          |
| Protective clothing                     | 105,233            | 178,048            |
| Security                                | 13,348,762         | 8,425,255          |
| Software expenses                       | 17,529,950         | 7,329,115          |
| Subscriptions and membership fees       | 541,073            | 500,626            |
| Communication related expenditure       | 31,828,757         | 42,519,306         |
| Transport and freight                   | 38,465,278         | 45,604,403         |
| Training                                | 3,174,943          | 791,904            |
| Air travel - local                      | 2,936,385          | 4,600,770          |
| Air travel - overseas                   | 1,406,063          | 551,303            |
| Subsistence and travelling              | 121,024,188        | 93,649,210         |
| Study expenditure                       | 504,495            | 212,821            |
| Professional services                   | 197,767,818        | 244,611,382        |
| Other expenses                          | 500,132            | 964,418            |
|   | <b>596,922,703</b> | <b>609,073,678</b> |
| <b>23. Income taxation</b>              |                    |                    |

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

## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand  | Note(s) | 2010               | 2009               |
|--|---------|--------------------|--------------------|
| <b>24. Cash generated from operations</b>                          |         |                    |                    |
| Surplus  |         | 21,845,427         | 140,303,542        |
| <b>Adjustments for:</b>  |         |                    |                    |
| Depreciation and amortisation                                      | 19      | 43,211,568         | 35,432,586         |
| Impairment deficit   |         | 66,326             | -                  |
| Debt impairment  |         | 125,638            | (29,665)           |
| Movements in operating lease assets and accruals                   |         | (894,839)          | 1,517,705          |
| Movements in provisions  |         | 917,053            | 438,231            |
| <b>Changes in working capital:</b>                                 |         |                    |                    |
| Inventories  |         | 45,750,509         | (53,479,018)       |
| Trade and other receivables from exchange transaction              |         | (4,327,989)        | (127,869)          |
| Consumer debtors   |         | (125,638)          | 29,665             |
| Prepayments  |         | (2,869,715)        | 1,319,321          |
| Trade and other payables from exchange transaction                 |         | (99,023,695)       | 67,254,240         |
| Unspent conditional grants and receipts                            |         | (1,243)            | (601,693)          |
| Increase (decrease) in foreign and local aid assistance            |         | 580,523            | (11,253,614)       |
|  |         | <b>5,253,925</b>   | <b>180,803,431</b> |
| <b>25. Contingencies and commitments</b>                           |         |                    |                    |
| <b>Operating Commitments</b>                                       |         |                    |                    |
| <b>Payable within the next year</b>                                |         |                    |                    |
| Contractual commitments  |         | 144,957,463        | 117,736,620        |
| Office rental agreements   |         | 29,519,876         | 16,203,233         |
| <b>Payable later than 1 year and not later than 5 years:</b>       |         |                    |                    |
| Contractual commitments  |         | 91,878,445         | 110,068,197        |
| Office rental agreements   |         | 118,638,366        | 39,364,270         |
| Office rental agreements   |         | 168,595,303        | -                  |
| Total future cash flows  |         | 553,589,453        | 283,372,320        |
| Straight lining already accrued in Statement of Financial Position |         | (1,167,157)        | (2,061,996)        |
| <b>Future expenses</b>   |         | <b>552,422,296</b> | <b>281,310,324</b> |
| <b>Contingencies not provided For:</b>                             |         |                    |                    |
| Legal claims   |         | 100,000            | -                  |

Contingents and commitments disclosed take into consideration the escalation clauses as per the contractual agreements. The lease contracts that have renewal options, the renewal period is only taken into consideration once the options has been excised by the Commission after the expiry of the original lease period.

### 26. Retirement Funding

Employees are members of the Government Employee's Pension Fund and will receive benefits in terms of the rules of the fund.

### 27. Financial Instrument Risk Management

#### Financial risk management

The Commission's activities have 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.



## Notes to the Annual Financial Statements for the year ended 31 March 2010

Figures in Rand

### 27. Financial Instrument Risk Management (continued)

#### 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 expenditure framework (MTEF) budgeting process

The following are the contractual maturities of financial Liabilities:

| 31 March 2010            | Carrying Amounts | Contractual Cash Flow | 1-12 months | 2-5 years   | Later than 5 years |
|--------------------------|------------------|-----------------------|-------------|-------------|--------------------|
| Trade and other Payables | 31,089,183       | 553,589,453           | 174,477,339 | 210,516,811 | 168,595,303        |
| 31 March 2009            |                  |                       |             |             |                    |
| Trade and other Payables | 130,112,869      | 283,372,320           | 133,939,853 | 149,432,467 | -                  |

#### 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 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:

| Figures in Rand             | Note(s) | 2010               | 2009               |
|-----------------------------|---------|--------------------|--------------------|
| Trade and other receivables | 5       | 12,456,038         | 8,128,049          |
| Cash and cash equivalents   | 7       | 228,483,900        | 237,308,352        |
|                             |         | <b>240,939,938</b> | <b>245,436,401</b> |

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

|                               |                   |                  |
|-------------------------------|-------------------|------------------|
| Trade and other receivables   | 8,903,720         | 200,125          |
| Deposits                      | 1,346,601         | 1,102,425        |
| Sundry Debtors                | 1,707,436         | 1,260,914        |
| Accrued interest              | 498,281           | 706,630          |
| Department of Foreign Affairs | -                 | 4,356,101        |
| Anglo American                | -                 | 501,854          |
|                               | <b>12,456,038</b> | <b>8,128,049</b> |

#### Impairment Losses

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

|                            |                   |                  |
|----------------------------|-------------------|------------------|
| Not Past due               | 1,275,958         | 1,102,425        |
| Past due 0 - 30 days       | 9,921,965         | 1,946,738        |
| Past due 31 - 120 Days     | 68,390            | 427,061          |
| Past due 121 - 365 days    | 359,912           | 253,072          |
| Past due- more than a year | 829,813           | 4,398,753        |
|                            | <b>12,456,038</b> | <b>8,128,049</b> |

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

An amount of R 307,014 has been provided for as doubtful debts and is included in the amounts disclosed above. This provision relates to identified invoices older than 365 days that were not committed for payment.

## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand   | Note(s) | 2010           | 2009           |
|---|---------|----------------|----------------|
| <b>27. Financial Instrument Risk Management (continued)</b> |         |                |                |
| <b>Analysis of doubtful debts is as follows:</b>            |         |                |                |
| Written to income statement                                 |         | 812,383        | 842,048        |
| (Decrease) / increase in provisions                         |         | (505,369)      | (29,665)       |
| <b>Closing Balance</b>                                      |         | <b>307,014</b> | <b>812,383</b> |

### 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.

|                           |   |             |             |
|---------------------------|---|-------------|-------------|
| Cash and Cash Equivalents | 7 | 228,483,900 | 237,308,352 |
|---------------------------|---|-------------|-------------|

### Cash flow

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

|                          |  |             |               |
|--------------------------|--|-------------|---------------|
| Parliamentary allocation |  | 937,233,000 | 1,039,393,000 |
|--------------------------|--|-------------|---------------|

### Fair value

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.

|  |             |             |
|--|-------------|-------------|
| Trade and other receivables from exchange transactions | 12,456,038  | 8,128,049   |
| Cash and Cash equivalents                              | 228,483,900 | 237,308,352 |
| Trade and other payables from exchange transactions    | 31,089,178  | 130,112,873 |

### Foreign exchange risk

The Commission does not operate internationally and is not exposed to foreign exchange risk arising from various currency exposures. Transactions in foreign currency are primarily for the purchase of forex for overseas subsistence and travel allowance.

### 28. Irregular expenditure

Reconciliation of irregular Expenditure

|   |                   |                    |
|---|-------------------|--------------------|
| Opening balance                                   | 102,739,178       | 65,866,977         |
| Add: Irregular expenditure for the current year   | 14,600,771        | 36,874,604         |
| Less: Amounts recoverable (not condoned)          | -                 | (2,403)            |
| Less: Amounts approved by condoning authority     | (102,739,178)     | -                  |
| <b>Irregular expenditure awaiting condonement</b> | <b>14,600,771</b> | <b>102,739,178</b> |

Irregular expenditure relates non-compliance with Treasury regulations 16A6.3. No action was taken against any official as there was no financial misconduct, it was only a matter of non-compliance. National Treasury has been approached for a condonation.

### 2009 Irregular Expenditure Outcome

An amount of R 36 688 116 reported as irregular expenditure not condoned in 2009, has now been condoned. This relates to the costs incurred to implement a new computerised system affecting financial administration prior to obtaining approval from National Treasury.

An amount of R 66 051 062 was reported as irregular expenditure awaiting condonement in 2009. This relates to payments made by cheque where the cheque values exceeded R 2 000. This was due to non availability of bank details of suppliers. These payments were made in the six year period ending 31 March 2009. National Treasury is of the view that these payments should not be considered as irregular expenditure but rather as non compliant with Treasury Regulations

## Notes to the Annual Financial Statements for the year ended 31 March 2010

Figures in Rand

2009

**28. Irregular expenditure (continued)**

if all processes leading to the payments were correctly followed. All the required procurement processes were followed when services were required and also payment processes were followed to effect these payments. An amount of R2 403.00 which was transferred to debtors has since been recovered following the outcome of the disciplinary hearing.

Included in the irregular expenditure for the current year is an amount of R11 827 676 for which there is no evidence of compliance with the provision of the PPPFA. However, 72.97% of the contracts were awarded to Previously Disadvantaged Business. The value of such business R8 594 157.00. The National treasury will be approached to condone the expenditure.

**Details of Irregular Expenditure - Current year****Details of Irregular Expenditure condoned**

|   | <b>Condoned by (condoning authority)</b> |            |
|---|--|------------|
| Implementation of new computerised system affecting financial administration prior to obtaining Treasury Approval | National Treasury                        | 36,688,116 |

**29. Prior period errors**

Administrative expenses were accounted when they were paid and not when such expenses were incurred. These have now been reversed. Refundable deposits paid for building rental were expensed when paid and debtors not created, these expenses have now been reversed. Acquisitions for property, plant and equipment were incorrectly stated as expenditure and not capitalised, these have since been reversed and capitalised.

Intangible assets have been adjusted, the adjustment figures represent software that were not previously capitalised, but meet the criteria for the recognition of the items as intangible assets as per the accounting standards and requirements pertaining to intangible assets.

The correction of the error(s) results in adjustments as follows:

|  | <b>2009</b>         |
|--|---------------------|
| Effective on the statement of Financial Position for 2009          |                     |
| Increase in prepayments  | 116,664             |
| Increase in trade and other receivables from exchange transactions | 102,087             |
| Decrease in non-current assets held for sale                       | (3)                 |
| Decrease in property, plant and equipment                          | (34,792)            |
| Increase in intangible assets                                      | 10,596,372          |
| Increase in trade and other receivables from exchange transactions | 345,484             |
|  | <b>11,125,811</b>   |
| <b>Increase in accumulated surplus</b>                             | <b>(11,273,956)</b> |

**Effect on the Statement of Financial Performance**

|   |                    |
|---|--------------------|
| Decrease in other operating revenue         | 38,478             |
| Decrease in employee related costs          | (1,764,449)        |
| Decrease in administrative expenditure      | (5,175,057)        |
| Increase in other operating revenue         | (96,705)           |
| Increase in deficit on exchange differences | (2,233)            |
| Increase in finance costs                   | 168,458            |
| Decrease in debt impairment                 | (29,665)           |
| Increase in repairs and maintenance         | 2,621              |
| Increase in depreciation and amortisation   | 643,794            |
| Net increase in unutilised surplus          | <b>(6,214,758)</b> |

## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand  | 2009             |
|--|------------------|
| <b>29. Prior period errors (continued)</b>                         |                  |
| <b>Effect on periods prior to 2009</b>                             |                  |
| Decrease in trade and other receivables from exchange transactions | (267,962)        |
| Increase in trade and other payables                               | (6,745)          |
| Increase in property, plant and equipment                          | 19               |
| Increase in Intangible Assets                                      | 7,093,962        |
| Increase in accumulated amortisation                               | (1,760,077)      |
| Net increase in unutilised surplus                                 | <b>5,059,198</b> |
| <b>Effect on the statement of changes in net assets</b>            |                  |
| Accumulated surplus - Balance at 31 March 2008                     | (5,059,198)      |
| Surplus for the year (as above)                                    | (6,214,758)      |

## Notes to the Annual Financial Statements for the year ended 31 March 2010

Figures in Rand

### 30. Change in estimate

#### Useful Life Review

The useful lives of property, plant and equipment were reviewed and adjusted in accordance with the accounting policy. The nature and the amounts of the estimates are as follows:

|   | Cost       | Accumulated<br>Depreciation | Net Book<br>Value |
|---|------------|-----------------------------|-------------------|
| <b>Computer Equipment</b>                   |            |                             |                   |
| Before useful life review                   | 86,693,308 | (38,753,781)                | 47,939,527        |
| After useful life review                    | 86,693,308 | (38,106,466)                | 48,586,842        |
| <b>Difference due to change in estimate</b> | <u>-</u>   | <u>(647,315)</u>            | <u>647,315</u>    |
| <b>Office Machines and Equipment</b>        |            |                             |                   |
| Before useful life review                   | 25,789,382 | (11,491,015)                | 14,298,367        |
| After useful life review                    | 25,789,382 | (11,294,302)                | 14,495,080        |
| <b>Difference due to change in estimate</b> | <u>-</u>   | <u>(196,713)</u>            | <u>196,713</u>    |
| <b>Furniture and Fittings</b>               |            |                             |                   |
| Before useful life review                   | 16,336,612 | (6,544,071)                 | 9,792,541         |
| After useful life review                    | 16,336,612 | (6,523,277)                 | 9,813,335         |
| <b>Difference due to change in estimate</b> | <u>-</u>   | <u>(20,794)</u>             | <u>20,794</u>     |
| <b>Appliances</b>                           |            |                             |                   |
| Before useful life review                   | 1,115,603  | (422,170)                   | 693,433           |
| After useful life review                    | 1,115,603  | (415,908)                   | 699,695           |
| <b>Difference due to change in estimate</b> | <u>-</u>   | <u>(6,262)</u>              | <u>6,262</u>      |
| <b>Motor Vehicles</b>                       |            |                             |                   |
| Before useful life review                   | 18,134,754 | (5,030,614)                 | 13,104,140        |
| After useful life review                    | 18,134,754 | (5,009,574)                 | 13,125,180        |
| <b>Difference due to change in estimate</b> | <u>-</u>   | <u>(21,040)</u>             | <u>21,040</u>     |
| <b>Prefab Buildings</b>                     |            |                             |                   |
| Before useful life review                   | 656,309    | (522,092)                   | 134,217           |
| After useful life review                    | 656,309    | (520,700)                   | 135,609           |
| <b>Difference due to change in estimate</b> | <u>-</u>   | <u>(1,392)</u>              | <u>1,392</u>      |
| <b>Lease Improvements</b>                   |            |                             |                   |
| Before useful life review                   | 2,758,455  | (1,779,886)                 | 978,569           |
| After useful life review                    | 2,758,455  | (1,487,132)                 | 1,271,323         |
| <b>Difference due to change in estimate</b> | <u>-</u>   | <u>(292,754)</u>            | <u>292,754</u>    |
| <b>TOTAL</b>                                | <u>-</u>   | <u>(1,186,270)</u>          | <u>1,186,270</u>  |

#### Residual Value Review

The residual values of vehicles were reviewed and adjusted in accordance with the accounting policy. The nature and the amount of the estimate is as follows:

|                              |            |                |                  |
|------------------------------|------------|----------------|------------------|
| <b>Vehicles</b>              |            |                |                  |
| Before residual value review | 18,134,754 | (4,829,023)    | 13,305,731       |
| After residual value review  | 18,134,754 | (5,030,614)    | 13,104,140       |
|                              | <u>-</u>   | <u>201,591</u> | <u>(201,591)</u> |

## Notes to the Annual Financial Statements for the year ended 31 March 2010

| Figures in Rand  | 2010                | 2009               |
|--|---------------------|--------------------|
| <b>31. Operating surplus is arrived at after taking into account the following</b>   |                     |                    |
| <b>Operating lease charges</b>   |                     |                    |
| Premises   |                     |                    |
| • Contractual amounts  | 28,092,578          | 27,266,576         |
| Equipment  |                     |                    |
| • Contractual amounts  | 1,986,463           | 701,862            |
| Lease rentals for registration weekends and election day   |                     |                    |
| • Contractual amounts  | 9,385,497           | 17,000,721         |
|  | <b>39,464,538</b>   | <b>44,969,159</b>  |
| Impairment on property, plant and equipment  | 66,326              | -                  |
| Surplus on exchange differences  | 4,206               | 226                |
| Amortisation on intangible assets  | 6,102,330           | 4,221,251          |
| Depreciation on property, plant and equipment  | 37,109,238          | 31,211,335         |
| Employee costs   | 292,978,019         | 275,051,025        |
| <b>32. Reconciliation between budget and statement of financial performance</b>  |                     |                    |
| Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:   |                     |                    |
| Net surplus per the statement of financial performance   | 21,845,427          | 140,303,542        |
| <b>Adjusted for:</b>   |                     |                    |
| Non cash items (Expenses in the Income statement not in Budget)  | 2,007,036           | -                  |
| Income in the Income statement not in Budget   | (4,575,695)         | -                  |
| Expenses in Income Statements not in Budget  | 43,557,716          | -                  |
| Underspending compared to budget   | (140,324,663)       | -                  |
| <b>Net (deficit) surplus per approved budget</b>   | <b>(77,490,179)</b> | <b>140,303,542</b> |
| <b>33. Fruitless and wasteful expenditure</b>  |                     |                    |
| Interest incurred due to late payments   | 346,151             | 18,515             |
| Interest was incurred during the financial period from the late settlement of accounts. The amount will be transferred to debtors for further investigation. |                     |                    |
| <b>34. Related parties</b>   |                     |                    |
| <b>Related party transactions</b>  |                     |                    |
| <b>Key Management compensation</b>   |                     |                    |
| 1. Commissioners   | 4,783,784           | 4,135,895          |
| --Salaries   | 3,467,643           | 3,004,906          |
| --Short term employee benefits   | 1,316,141           | 1,130,989          |
| 2. Executive management salaries   | 4,801,387           | 4,105,592          |
|  | <b>9,585,171</b>    | <b>8,241,487</b>   |
| Represented Political Party Funding  | 628,478             | 576,244            |
| Department of Foreign Affairs  | -                   | 4,356,101          |

Executive managers are members of the Government Employee's Pension Fund (GEPF) and will receive benefits in terms of the rules of the fund. Commissioners do not qualify for membership of the GEPF.

## Notes to the Annual Financial Statements for the year ended 31 March 2010

Figures in Rand

2009

| <b>35. Soccer world cup expenditure</b>        | <b>Quantities</b>   | <b>Rand</b>           |
|--|---------------------|-----------------------|
| <b>Purchase of other world cup apparel</b>     |                     |                       |
| T-shirts                                       | 808                 | 503,992               |
| Vuvuzelas                                      | 200                 | 2,622                 |
| World cup decor                                | -                   | 918                   |
| Soccer refreshments and other related expenses | -                   | 1,574                 |
|  | <u><b>1,008</b></u> | <u><b>509,106</b></u> |

These world cup expenses were incurred in the 2011 financial year-end and do not form part of the current year reported expenditure.

*Detailed Income and Expenditure Statement*

## APPENDIX A

| Figures in Rand                          | 2010               | 2009                 |
|--|--------------------|----------------------|
| <b>INCOME</b>                            |                    |                      |
| Parliamentary allocation                 | 937,233,000        | 1,039,393,000        |
| Government allocation foreign assistance | -                  | -                    |
| Political party registration fees        | 2,600              | 23,500               |
| Interest received                        | 20,030,445         | 25,424,886           |
| Sponsorship income                       | 4,250,000          | -                    |
| Other                                    | 323,094            | 2,716,850            |
| <b>Total income</b>                      | <b>961,839,139</b> | <b>1,067,558,236</b> |
| <b>EXPENDITURE</b>                       |                    |                      |
|  | <b>939,993,712</b> | <b>927,254,694</b>   |
| <b>Personnel expenditure</b>             | 292,978,019        | 275,051,026          |
| Salaries                                 | 255,905,686        | 270,455,867          |
| - Permanent Staff                        | 216,740,151        | 180,983,361          |
| - Temporary Staff                        | 33,822,133         | 84,081,174           |
| - Voter education Fieldworkers           | 919,573            | 22,411,150           |
| - Election Support                       | 12,916,859         | 14,479,175           |
| - By-elections                           | 1,719,483          | 1,148,364            |
| - Registration                           | 59,205             | 2,754,322            |
| - Expansion staff                        | 18,207,012         | 43,288,163           |
| - MEO Agents                             | 5,343,403          | 5,391,331            |
| Remunerative Allowances                  | 233,965            | 162,449              |
| - Permanent staff                        | 233,965            | 162,449              |
| Gratuities                               | 2,283,608          | (9,985,185)          |
| - Permanent staff                        | 2,283,608          | (9,985,185)          |
| Employer's contributions                 | 34,217,221         | 14,017,864           |
| Deployment Costs                         | 639                | -                    |
| Relocation cost                          | 336,900            | 400,030              |



*Detailed Income and Expenditure Statement (continued)*

## APPENDIX A

| Figures in Rand                             | 2010               | 2009               |
|---|--------------------|--------------------|
| <b>Administrative expenditure</b>           | <b>232,470,921</b> | <b>228,445,026</b> |
| Subsistence Expenditure                     | 115,573,835        | 85,384,265         |
| - Registration staff                        | 697,733            | 84,219,137         |
| - Election staff                            | 114,219,017        | 5,428              |
| - Other                                     | 657,085            | 1,159,701          |
| Hotel Expenditure                           | 5,470,288          | 8,274,942          |
| Travel Expenditure                          | 38,465,278         | 45,604,403         |
| - Democracy Development and voter education | 1,213,777          | 2,836,396          |
| - Other - Corporate Services                | 24,182,312         | 28,746,825         |
| - Logistics & Electoral Matters             | 13,069,190         | 14,021,182         |
| Air transport                               | 4,342,449          | 5,152,074          |
| Communication Expenditure                   | 16,763,973         | 14,831,188         |
| Study Expenses                              | 504,495            | 219,822            |
| Advertisements                              | 1,515,932          | 6,907,993          |
| Catering/Entertainment Exp.                 | 15,112,859         | 18,348,904         |
| - Democracy Development and voter education | 3,371,673          | 1,892,717          |
| - Other - Corporate Services                | 7,832,947          | 14,241,767         |
| - Logistics & Electoral Matters             | 3,908,240          | 2,214,420          |
| Membership and registration                 | 3,716,016          | 1,292,530          |
| Insurance                                   | 1,091,399          | 1,584,452          |
| Conferences & Workshops                     | 29,914,397         | 40,844,453         |
| Democracy Development and voter education   | 7,464,202          | 11,945,669         |
| Other - Corporate Services                  | 5,615,256          | 15,044,241         |
| Logistics & Electoral Matters               | 16,834,940         | 13,854,543         |
| Administrative expenses foreign assistance  | -                  | -                  |

*Detailed Income and Expenditure Statement (continued)*

## APPENDIX A

| Figures in Rand                           | 2010        | 2009        |
|---|-------------|-------------|
| Printing                                  | 69,095,439  | 38,971,938  |
| Printing and other suppliers              | 3,376,451   | 13,949,131  |
| Printing, stationary and other supplies   | 65,718,989  | 25,022,806  |
| Purchase of Equipment and software        | 17,491,700  | 7,575,150   |
| Software license fees                     | 10,529,347  | 4,963,331   |
| Other                                     | 6,962,353   | 2,611,819   |
| Rented equipment                          | 2,009,045   | 721,504     |
| Rental - Land and buildings               | 37,455,493  | 44,247,655  |
| IEC offices and warehouses                | 21,589,398  | 22,727,058  |
| ME Offices                                | 6,503,180   | 4,539,518   |
| By-elections                              | 9,362,915   | 16,981,079  |
| Professional and other services           | 244,045,957 | 296,651,567 |
| Government Institutions                   | 1,967       | 26,953      |
| Computer services - wide area network     | 17,519,718  | 28,519,864  |
| Maintenance and repairs                   | 5,641,644   | 7,538,936   |
| Private Institutions                      | 436,225     | 797,527     |
| Legal costs                               | 2,987,829   | 4,213,998   |
| Audit costs                               | 5,582,245   | 4,532,252   |
| Bank charges                              | 2,657,346   | 1,453,169   |
| Foreign exchange loss                     | 4,206       | 226         |
| Contracted in                             | 209,214,777 | 249,568,641 |
| Miscellaneous expenditure                 | 132,511     | (30,386)    |
| Depreciation and Impairment               | 43,277,890  | 35,432,587  |
| Deficit on disposal / scrapping of assets | 690,585     | 170,113     |
| Interest paid                             | 346,151     | 18,515      |
| Surplus for the year                      | 21,845,427  | 140,303,542 |

APPENDIX B

*Departmental Expenditure Statement for the year ended 31 March 2009*

|  | Total Expenditure<br>R | Personnel expenditure<br>R | Administrative expenditure<br>R | Consumables<br>R  | Equipment<br>R   | Land and Building rentals<br>R | Professional and other Services<br>R | Miscellaneous expenditure<br>R |
|--|------------------------|----------------------------|---------------------------------|-------------------|------------------|--------------------------------|--------------------------------------|--------------------------------|
| <b>NATIONAL OFFICE ADMINISTRATION</b>                  |                        |                            |                                 |                   |                  |                                |                                      |                                |
| Internal Audit   | 7,950,534              | 156,977                    | 123,365                         | 12,570            | -                | -                              | 7,657,622                            | -                              |
| Chief Electoral Officer                                | 7,169,174              | 2,366,632                  | 4,659,408                       | 9,204             | -                | -                              | 133,930                              | -                              |
| Commission Services                                    | 8,950,519              | 5,717,404                  | 2,259,082                       | 35,381            | -                | -                              | 938,652                              | -                              |
| <b>Total Chief Electoral Office</b>                    | <b>24,070,227</b>      | <b>8,241,013</b>           | <b>7,041,855</b>                | <b>57,155</b>     | -                | -                              | <b>8,730,204</b>                     | -                              |
| Deputy Chief Electoral Officer                         | 1,642,262              | 1,547,599                  | 85,916                          | 8,747             | -                | -                              | -                                    | -                              |
| Legal Services   | 4,118,905              | 1,065,154                  | 114,141                         | (10,595)          | -                | -                              | 2,950,205                            | -                              |
| Financial Management                                   | 6,440,398              | 2,044,562                  | 148,992                         | 30,359            | -                | -                              | 4,216,485                            | -                              |
| Budget & Party Funding, Compliance Verification        | 1,596,173              | 1,584,497                  | 9,019                           | 2,657             | -                | -                              | -                                    | -                              |
| Financial Services                                     | 9,677,095              | 3,311,214                  | 866,356                         | 499,330           | 109,973          | -                              | 4,921,544                            | (31,322)                       |
| Procurement and Asset Management                       | 4,977,349              | 3,261,717                  | 1,609,270                       | 117,140           | -                | -                              | (10,778)                             | -                              |
| Human Resources  | 138,995,841            | 36,538,044                 | 98,411,774                      | 307,085           | -                | -                              | 3,738,939                            | -                              |
| HR, Skills Development & Training, Support Services    | 46,212                 | -                          | 39,809                          | 6,403             | -                | -                              | -                                    | -                              |
| Skills Development & Training                          | 34,954,089             | 1,459,622                  | 27,108,270                      | 4,847,939         | 2,111            | 21,000                         | 1,515,147                            | -                              |
| Support Services                                       | 26,892,060             | 4,890,942                  | 2,767,308                       | 580,160           | (980,655)        | 8,663,380                      | 10,970,924                           | -                              |
| Business Enterprise Systems                            | 82,647,082             | 3,673,138                  | 150,404                         | 139,984           | -                | -                              | 78,683,556                           | -                              |
| Information Communication Technology                   | 32,213,367             | 939,363                    | 234,212                         | 8,624             | 8,503,463        | -                              | 22,527,705                           | -                              |
| IT Operations Services                                 | 55,459,486             | 859,622                    | 1,133,380                       | (480)             | -                | -                              | 53,466,964                           | -                              |
| <b>Total for Corporate services</b>                    | <b>399,660,319</b>     | <b>61,175,474</b>          | <b>132,678,851</b>              | <b>6,537,353</b>  | <b>7,634,892</b> | <b>8,684,380</b>               | <b>182,980,691</b>                   | <b>(31,322)</b>                |
| <b>Total for national office: Administration</b>       | <b>423,730,546</b>     | <b>69,416,487</b>          | <b>139,720,706</b>              | <b>6,594,508</b>  | <b>7,634,892</b> | <b>8,684,380</b>               | <b>191,710,896</b>                   | <b>(31,322)</b>                |
| Deputy Chief Electoral Operations                      | 1,647,651              | 1,505,381                  | 132,615                         | 9,655             | -                | -                              | -                                    | -                              |
| Delimitation, Voting, Counting, Results & By Elections | 9,546,860              | 2,870,197                  | 3,681,545                       | 318,907           | 24,500           | 1,078,728                      | 1,572,983                            | -                              |
| Electoral Matters                                      | 1,295,498              | 1,196,319                  | 95,345                          | 3,834             | -                | -                              | -                                    | -                              |
| Voters Roll, Registration, Cand Nom & Party Liaison    | 3,577,373              | 1,708,178                  | 1,674,823                       | 67,637            | -                | (5,500)                        | 132,235                              | -                              |
| Voters Roll, Registration, Cand Nom & Party Liaison    | 5,959,026              | 2,557,939                  | 3,101,437                       | 267,567           | -                | -                              | 32,083                               | -                              |
| Infrastructure, Courier Services                       | 48,892,963             | 6,782,970                  | 16,550,024                      | 1,631,531         | 500,457          | 21,277,936                     | 2,149,990                            | 55                             |
| Logistics & Infrastructure                             | 1,590,967              | 1,410,552                  | 166,850                         | 8,292             | -                | -                              | 5,273                                | -                              |
| Logistics  | 41,096,402             | 5,118,609                  | 13,611,869                      | 14,167,569        | 35,122           | 5,537,002                      | 2,625,951                            | 280                            |
| <b>Total for Electoral Operations</b>                  | <b>113,606,741</b>     | <b>23,150,146</b>          | <b>39,014,508</b>               | <b>16,474,992</b> | <b>560,079</b>   | <b>27,888,166</b>              | <b>6,518,515</b>                     | <b>335</b>                     |
| Civic Education & EDDE                                 | 62,524,626             | 31,590,485                 | 15,491,433                      | 3,537,784         | -                | -                              | 11,904,924                           | -                              |
| Civic Education, Research & Knowledge Management       | 82,577                 | -                          | 76,318                          | 6,259             | -                | -                              | -                                    | -                              |
| Research, Library, Knowledge Management                | 4,999,700              | -                          | 10,404                          | 287,457           | -                | -                              | 4,701,839                            | -                              |
| Communications   | 97,197,762             | 1,642,108                  | 4,645,434                       | 10,667,639        | -                | -                              | 80,242,231                           | 350                            |
| Deputy Chief Electoral Outreach                        | 1,503,250              | 1,331,178                  | 162,537                         | 9,535             | -                | -                              | -                                    | -                              |
| <b>Total for Outreach</b>                              | <b>166,307,915</b>     | <b>34,563,771</b>          | <b>20,386,126</b>               | <b>14,508,674</b> | -                | -                              | <b>96,848,994</b>                    | <b>350</b>                     |
| <b>Total for national office: Operations</b>           | <b>279,914,656</b>     | <b>57,713,917</b>          | <b>59,400,634</b>               | <b>30,983,666</b> | <b>560,079</b>   | <b>27,888,166</b>              | <b>103,367,509</b>                   | <b>685</b>                     |
| <b>Total for national office</b>                       | <b>703,645,202</b>     | <b>127,130,404</b>         | <b>199,121,340</b>              | <b>37,578,174</b> | <b>8,194,971</b> | <b>36,572,546</b>              | <b>295,078,405</b>                   | <b>(30,637)</b>                |

# Departmental Expenditure Statement for the year ended 31 March 2009

## APPENDIX B

|  | Total Expenditure<br>R | Personnel expenditure<br>R | Administrative expenditure<br>R | Consumables<br>R  | Equipment<br>R   | Land and Building rentals<br>R | Professional and other Services<br>R | Miscellaneous expenditure<br>R |
|--|------------------------|----------------------------|---------------------------------|-------------------|------------------|--------------------------------|--------------------------------------|--------------------------------|
| <b>REGIONAL OFFICES</b>                        |                        |                            |                                 |                   |                  |                                |                                      |                                |
| Eastern Cape                                   | 22,338,540             | 14,831,760                 | 5,959,194                       | 215,866           | 41,175           | 962,624                        | 327,921                              | -                              |
| Free State                                     | 16,209,701             | 12,842,055                 | 2,161,342                       | 97,918            | -                | 999,987                        | 108,399                              | -                              |
| Gauteng  | 19,337,632             | 15,233,135                 | 2,633,038                       | 191,601           | 14,241           | 1,151,638                      | 113,979                              | -                              |
| Kwazulu-Natal                                  | 36,267,884             | 30,396,433                 | 4,999,736                       | 178,999           | -                | 496,054                        | 196,412                              | 250                            |
| Mpumalanga                                     | 15,763,769             | 12,737,556                 | 2,014,800                       | 30,697            | -                | 859,972                        | 120,744                              | -                              |
| Northern Cape                                  | 18,687,827             | 15,146,127                 | 2,459,205                       | 142,913           | 26,141           | 857,462                        | 55,979                               | -                              |
| Limpopo  | 23,234,927             | 18,097,606                 | 4,102,343                       | 173,717           | -                | 737,731                        | 123,530                              | -                              |
| North West                                     | 17,011,970             | 12,918,318                 | 2,781,586                       | 191,630           | -                | 713,160                        | 407,276                              | -                              |
| Western Cape                                   | 19,136,027             | 15,717,633                 | 2,212,442                       | 170,423           | 20,126           | 896,481                        | 118,922                              | -                              |
| <b>Total for regional offices</b>              | <b>187,988,277</b>     | <b>147,920,623</b>         | <b>29,323,686</b>               | <b>1,393,764</b>  | <b>101,683</b>   | <b>7,675,109</b>               | <b>1,573,162</b>                     | <b>250</b>                     |
| <b>Departmental Expenditure</b>                | <b>891,633,479</b>     | <b>275,051,026</b>         | <b>228,445,026</b>              | <b>38,971,938</b> | <b>8,296,654</b> | <b>44,247,655</b>              | <b>296,651,567</b>                   | <b>(30,387)</b>                |
| Depreciation                                   | 35,432,587             |                            |                                 |                   |                  |                                |                                      |                                |
| Profit / (Loss) on disposal/Scrapping of asset | 170,113                |                            |                                 |                   |                  |                                |                                      |                                |
| Interest paid                                  | 18,515                 |                            |                                 |                   |                  |                                |                                      |                                |
| Total Expenditure                              | 927,254,694            |                            |                                 |                   |                  |                                |                                      |                                |
| Total Income                                   | 1,067,558,236          |                            |                                 |                   |                  |                                |                                      |                                |
| Surplus for the year                           | 140,303,542            |                            |                                 |                   |                  |                                |                                      |                                |
| Unutilised surplus at 31 March 2008            | 336,269,831            |                            |                                 |                   |                  |                                |                                      |                                |
| Unutilised surplus at 31 March 2009            | 476,573,373            |                            |                                 |                   |                  |                                |                                      |                                |

## Departmental Expenditure Statement for the year ended 31 March 2010

## 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 |
|--|---------------------|-------------------------|------------------------------|-------------------|-------------------|-----------------------------|-----------------------------------|-----------------------------|
| <b>NATIONAL OFFICE ADMINISTRATION</b>                  |                     |                         |                              |                   |                   |                             |                                   |                             |
| Internal Audit   | 9,368,571           | 1,034,850               | 113,331                      | 17,718            | -                 | -                           | 8,202,673                         | -                           |
| Chief Electoral Officer                                | 4,116,322           | 3,281,423               | 780,582                      | 54,318            | -                 | -                           | -                                 | -                           |
| Commission Services                                    | 9,584,086           | 6,656,003               | 2,852,386                    | 54,823            | -                 | -                           | 20,875                            | -                           |
| <b>Total Chief Electoral Office</b>                    | <b>23,068,979</b>   | <b>10,972,275</b>       | <b>3,746,298</b>             | <b>126,858</b>    | -                 | -                           | <b>8,223,548</b>                  | -                           |
| Deputy Chief Electoral Officer                         | 1,634,393           | 1,614,203               | 8,074                        | 12,117            | -                 | -                           | -                                 | -                           |
| Legal Services   | 5,381,545           | 1,670,225               | 151,967                      | 1,363,601         | -                 | -                           | 2,195,751                         | -                           |
| Financial Management                                   | 6,923,081           | 1,143,855               | 175,653                      | 17,122            | -                 | -                           | 5,586,451                         | -                           |
| Budget & Party Funding, Compliance Verification        | 2,113,707           | 2,069,720               | 15,295                       | 28,691            | -                 | -                           | -                                 | -                           |
| Financial Services                                     | 8,188,348           | 3,028,661               | 200,140                      | 187,740           | 1,018,995         | -                           | 3,627,175                         | 125,637                     |
| Procurement and Asset Management                       | 7,797,230           | 4,927,484               | 934,040                      | 107,480           | 30,096            | -                           | 1,798,129                         | -                           |
| Human Resources  | 164,148,901         | 29,483,527              | 132,122,612                  | 372,145           | 13,450            | -                           | 2,153,477                         | 3,690                       |
| HR, Skills Development & Training, Support Services    | 45,136              | -                       | 45,136                       | -                 | -                 | -                           | -                                 | -                           |
| Skills Development & Training                          | 12,855,781          | 2,009,677               | 10,556,465                   | 96,664            | -                 | -                           | 192,975                           | -                           |
| Support Services                                       | 37,037,841          | 6,050,844               | 8,946,225                    | 520,780           | 60,000            | 8,076,496                   | 13,383,495                        | -                           |
| Business Enterprise Systems                            | 73,470,646          | 4,710,028               | 48,597                       | 183,064           | 340,285           | -                           | 68,188,671                        | -                           |
| Information Communication Technology                   | 30,725,016          | 1,143,855               | 291,356                      | -                 | 17,921,647        | -                           | 11,368,158                        | -                           |
| IT Operations Services                                 | 51,849,350          | 720,277                 | 370,965                      | 60,933            | -                 | -                           | 50,697,175                        | -                           |
| <b>Total for Corporate services</b>                    | <b>402,170,975</b>  | <b>58,572,355</b>       | <b>153,866,527</b>           | <b>2,950,339</b>  | <b>19,384,474</b> | <b>8,076,496</b>            | <b>159,191,458</b>                | <b>129,327</b>              |
| <b>Total for national office: Administration</b>       | <b>425,239,954</b>  | <b>69,544,631</b>       | <b>157,612,825</b>           | <b>3,077,197</b>  | <b>19,384,474</b> | <b>8,076,496</b>            | <b>167,415,005</b>                | <b>129,327</b>              |
| Deputy Chief Electoral Operations                      | 1,831,752           | 1,766,000               | 61,285                       | 4,466             | -                 | -                           | -                                 | -                           |
| Delimitation, Voting, Counting, Results & By Elections | 43,914,217          | 3,943,817               | 12,042,349                   | 1,537,699         | -                 | 452,485                     | 25,937,868                        | -                           |
| Electoral Matters                                      | 1,432,098           | 1,370,794               | 61,304                       | -                 | -                 | -                           | -                                 | -                           |
| Voters Roll, Registration, Cand Nom & Party Liaison    | 3,615,650           | 2,258,688               | 598,122                      | 1,443             | -                 | -                           | 757,398                           | -                           |
| Voters Roll, Registration, Cand Nom & Party Liaison    | 919,759             | 1,429                   | 44,638                       | 20,226            | -                 | -                           | 853,466                           | -                           |
| Infrastructure, Courier Services                       | 47,442,392          | 7,407,730               | 18,746,874                   | 2,562,602         | -                 | 15,487,596                  | 3,237,590                         | -                           |
| Logistics & Infrastructure                             | 1,188,260           | 1,137,578               | 44,449                       | 6,233             | -                 | -                           | -                                 | -                           |
| Logistics  | 83,504,826          | 5,094,873               | 13,799,462                   | 53,445,539        | 43,301            | 5,395,641                   | 5,726,010                         | -                           |
| <b>Total for Electoral Operations</b>                  | <b>183,848,955</b>  | <b>22,980,908</b>       | <b>45,398,484</b>            | <b>57,578,208</b> | <b>43,301</b>     | <b>21,335,723</b>           | <b>36,512,331</b>                 | -                           |
| Civic Education & EDDE                                 | 28,074,237          | 6,793,273               | 11,732,483                   | 993,724           | -                 | -                           | 8,554,756                         | -                           |
| Civic Education, Research & Knowledge Management       | 23,186              | -                       | 22,815                       | 371               | -                 | -                           | -                                 | -                           |
| Research, Library, Knowledge Management                | 3,292,232           | -                       | 13,722                       | 508,901           | -                 | -                           | 2,769,610                         | -                           |
| Communications   | 37,428,413          | 2,236,517               | 1,862,276                    | 6,145,981         | 1,710             | -                           | 27,178,746                        | 3,183                       |
| Deputy Chief Electoral Outreach                        | 1,773,855           | 1,716,954               | 52,539                       | 4,362             | -                 | -                           | -                                 | -                           |
| <b>Total for Outreach</b>                              | <b>70,591,923</b>   | <b>10,746,744</b>       | <b>13,663,836</b>            | <b>7,653,338</b>  | <b>1,710</b>      | -                           | <b>38,503,112</b>                 | <b>3,183</b>                |
| <b>Total for national office: Operations</b>           | <b>254,440,879</b>  | <b>33,727,652</b>       | <b>59,082,320</b>            | <b>65,231,546</b> | <b>45,011</b>     | <b>21,335,723</b>           | <b>75,015,444</b>                 | <b>3,183</b>                |
| <b>Total for national office</b>                       | <b>679,680,833</b>  | <b>103,272,283</b>      | <b>216,695,145</b>           | <b>68,308,742</b> | <b>19,429,485</b> | <b>29,412,219</b>           | <b>242,430,449</b>                | <b>132,511</b>              |

# Departmental Expenditure Statement for the year ended 31 March 2010

## APPENDIX B

|  | Total Expenditure<br>R | Personnel expenditure<br>R | Administrative expenditure<br>R | Consumables<br>R  | Equipment<br>R    | Land and Building rentals<br>R | Professional and other Services<br>R | Miscellaneous expenditure<br>R |
|--|------------------------|----------------------------|---------------------------------|-------------------|-------------------|--------------------------------|--------------------------------------|--------------------------------|
| <b>REGIONAL OFFICES</b>                        |                        |                            |                                 |                   |                   |                                |                                      |                                |
| Eastern Cape                                   | 36,355,056             | 31,548,059                 | 3,375,262                       | 113,750           | (855)             | 1,010,247                      | 308,593                              | -                              |
| Free State                                     | 18,413,832             | 15,900,078                 | 1,212,533                       | 94,773            | -                 | 1,137,598                      | 68,851                               | -                              |
| Gauteng  | 21,468,410             | 18,876,488                 | 1,032,876                       | 86,878            | 12,647            | 1,300,354                      | 159,168                              | -                              |
| Kwazulu-Natal                                  | 37,210,584             | 34,353,522                 | 2,095,213                       | 68,704            | (7,972)           | 508,944                        | 192,174                              | -                              |
| Mpumalanga                                     | 18,924,862             | 16,503,152                 | 1,437,451                       | 30,765            | 17,503            | 793,876                        | 142,115                              | -                              |
| Northern Cape                                  | 20,858,806             | 17,520,431                 | 2,018,036                       | 91,510            | 41,318            | 1,039,665                      | 147,847                              | -                              |
| Limpopo  | 23,536,533             | 21,237,796                 | 1,452,959                       | 113,076           | -                 | 664,711                        | 67,992                               | -                              |
| North West                                     | 19,497,593             | 16,617,201                 | 1,836,754                       | 73,234            | -                 | 549,817                        | 420,587                              | -                              |
| Western Cape                                   | 19,732,575             | 17,149,010                 | 1,314,694                       | 114,007           | 8,619             | 1,038,064                      | 108,181                              | -                              |
| <b>Total for regional offices</b>              | <b>215,998,252</b>     | <b>189,705,736</b>         | <b>15,775,776</b>               | <b>786,696</b>    | <b>71,260</b>     | <b>8,043,275</b>               | <b>1,615,508</b>                     | <b>-</b>                       |
| <b>Departmental Expenditure</b>                | <b>895,679,085</b>     | <b>292,978,019</b>         | <b>232,470,921</b>              | <b>69,095,439</b> | <b>19,500,745</b> | <b>37,455,493</b>              | <b>244,045,957</b>                   | <b>132,511</b>                 |
| Depreciation                                   | 43,277,894             |                            |                                 |                   |                   |                                |                                      |                                |
| Profit / (Loss) on disposal/Scrapping of asset | 690,585                |                            |                                 |                   |                   |                                |                                      |                                |
| Interest paid                                  | 346,151                |                            |                                 |                   |                   |                                |                                      |                                |
| Total Expenditure                              | 939,993,715            |                            |                                 |                   |                   |                                |                                      |                                |
| Total Income                                   | 961,839,140            |                            |                                 |                   |                   |                                |                                      |                                |
| Surplus for the year                           | 21,845,425             |                            |                                 |                   |                   |                                |                                      |                                |
| Unutilised surplus at 31 March 2009            | 476,573,373            |                            |                                 |                   |                   |                                |                                      |                                |
| Unutilised surplus at 31 March 2010            | 498,418,798            |                            |                                 |                   |                   |                                |                                      |                                |

## List of Abbreviations

|       |  |
|-------|--|
| AU    | African Union  |
| CDE   | Civic and Democracy Education                                  |
| CE    | Civic Education  |
| CEO   | Chief Electoral Officer  |
| CSO   | Civil Society Organisation                                     |
| EC    | Electoral Commission   |
| ECF   | Electoral Commissions' Forum (SADC)                            |
| EA    | Enumeration Area   |
| EPC   | Electoral Project Coordinator                                  |
| EXCO  | Executive Committee  |
| GIS   | Geographic Information System                                  |
| HSRC  | Human Sciences Research Council                                |
| IDEA  | International Institute for Democracy and Electoral Assistance |
| IT    | Information Technology   |
| IVR   | Integrated Voice Response                                      |
| LAN   | Local Area Network   |
| LIS   | Logistics Information System                                   |
| MANCO | Management Committee   |
| MDB   | Municipal Demarcation Board                                    |
| MEC   | Member of Executive Council                                    |
| MEO   | Municipal Electoral Officer                                    |
| MoU   | Memorandum of Understanding                                    |
| MTEF  | Medium Term Expenditure Framework                              |
| NPE   | National and Provincial Elections                              |
| PLC   | Party Liaison Committee  |
| NPLC  | National Party Liaison Committee                               |
| PR    | Proportional Representation                                    |
| RKM   | Research and Knowledge Management                              |
| RMC   | Risk Management Committee                                      |
| ROC   | Results Operations Centre                                      |
| RPPF  | Represented Political Party's Fund                             |
| SADC  | Southern African Development Community                         |
| SANCB | South African National Council for the Blind                   |
| SAQA  | South African Qualifications Authority                         |
| SLA   | Service Level Agreement  |
| SRC   | Student Representative Council                                 |
| SVAR  | Special Votes Application Request                              |
| TCR   | Targeted Communication Registration                            |
| UPS   | Uninterrupted Power Supply                                     |
| VD    | Voting District  |
| VS    | Voting Station   |
| VSO   | Voting Stations Operations                                     |
| WAN   | Wide Area Network  |











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