



SOUTH AFRICA

ANNUAL REPORT

ANNUAL REPORT

2007



ELECTORAL COMMISSION OF SOUTH AFRICA



ANNUAL REPORT TO THE NATIONAL ASSEMBLY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2007



The Chairperson,

*Dr Brigalia Bam, was awarded
the Reconciliation Award 2005
by the Institute for Justice and
Reconciliation “in honour of
her lifelong commitment to
reconciliation in our country”.
She dedicated the award to
the Electoral Commission.*

THE HONOURABLE B MBETE

SPEAKER OF THE NATIONAL ASSEMBLY

The Electoral Commission's report and audited financial statements for the financial year that ended on 31 March 2007 are hereby conveyed to you for formal submission to the National Assembly, as required by section 14(1) of the Electoral Commission Act, 1996 (Act No 51 of 1996).

Dr Brigalia Bam
Chairperson
Date: 27 July 2007

Advocate Pansy Tlakula
Chief Electoral Officer
Date: 27 July 2007

ELECTORAL COMMISSION

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

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SECTION I



SOUTH AFRICA



Dr Brigalia Bam
Chairperson

INTRODUCTION BY THE CHAIRPERSON

During the period under review, the Electoral Commission (IEC) focused its activities on winding down the successful 2006 municipal elections and reflecting on these and other elections that have taken place since its inception in 1997. The Commission celebrates its 10th anniversary in 2007, which makes this an appropriate time to look back on past achievements and lessons learnt along the way so as to improve on the delivery of its mandate.

The period under review has been a very interesting period for the Commission, which increasingly provided technical electoral assistance in a number of countries on the continent. Most notably, these countries included the Democratic Republic of the Congo (DRC) and the Comoros.

The IEC's involvement in these elections provided it with an opportunity to strengthen democracy beyond South Africa's borders. It also provided us with the opportunity to learn from other countries and institutions and to provide its employees with the necessary exposure, thereby increasing their effectiveness in delivering on the mandate of the Commission.

The Commission, together with the International Institute for Democracy and

Electoral Assistance (International IDEA) and the African Union (AU), hosted an international conference in South Africa for stakeholders in the field of democracy and elections. The theme of the conference was *Sustaining Africa's Democratic Momentum*. It investigated the various challenges facing democracies today, especially on the African continent. The conference brought together regional and national continental policy-makers and implementers, members of academia, civil society and development partners to discuss the global challenges facing Africa and to identify lessons that can be learned from both old and new democracies in an effort to leverage solutions to these democratic challenges, especially in emerging democracies.

The conference was hailed a huge success, as it provided an impetus to efforts spearheaded by the AU to foster increased commitment among AU member states to democratic elections and governance. It also provided an opportunity for Africa to showcase its success stories in the institutionalisation of democracy and elections, especially in post-conflict contexts.

The Electoral Commission will continue to work with its counterparts on the continent and elsewhere in the world to help strengthen institutions of democracy.

The Commission takes the fulfilment of its mandate very seriously. It is for this reason that the experiences gained during its missions to other countries and at conferences will be used as a basis for improving its own systems.

During the period under review, the IEC received visitors from its counterparts in other countries who wanted to share their experiences and systems of running and managing elections in multi-party democracies. Such countries include Sudan and Morocco.

South Africa's next national and provincial elections are scheduled to take place in 2009 and the Commission is already involved in putting together mechanisms that would help it succeed in the face of challenges brought about by the

elections. It is the Commission's desire to ensure that as many South Africans as possible exercise their right to vote in these elections.

I would like to commend the staff of the IEC, especially those who sacrificed time with their families to take part in the IEC's assistance programmes in the DRC and the Comoros. The value that they have contributed to democracy and stability on the continent cannot be emphasised enough.

Lastly, I would also like to pay tribute to the information and communication technology (ICT) companies that heeded the Commission's calls for assistance in the DRC. Their contribution was also invaluable to the sustenance of democracy in Africa.

INTRODUCTION BY THE CHIEF ELECTORAL OFFICER



Advocate Pansy Tlakula
Chief Electoral Officer

This report covers the period from 1 April 2006 to 31 March 2007. It provides an outline of the Commission's performance in terms of its stated strategic objectives.

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

The Commission proceeded with an internally driven exercise to review its organisational structure. A number of working groups were established in order to ensure maximum participation at all levels in the organisation. In addition, the Commission engaged in comprehensive debriefing following the municipal elections of 1 March 2006. The proposals emanating from these processes will be refined with a view to developing a new organisational structure. It is hoped that the new structure will better equip the Commission to deliver on its objectives.

The Commission co-hosted the International Conference on Sustaining Africa's Democratic Momentum in March 2007. This was done in partnership with the African Union and International IDEA, and followed on a similar conference that was hosted in 2003.

The South African government continued to call on the Commission to provide technical electoral assistance to other countries in Africa. Such projects included assistance to the DRC and the Comoros.

Through the dedicated efforts of the Commission's staff, these projects were successfully implemented to much acclaim from various sectors.

Inside South Africa's borders, requests were made to assist with the elections of various organisations. A highlight was the support the Commission provided to the Department of Education with the elections of the parent component of school governing bodies at more than 27 000 schools.

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

The total number of voters registered on the national common voters' roll was reduced by 419 913, mainly due to deaths. At the end of the financial year, the voters' roll contained the names of 20 627 654 voters. Although there were no general elections, the Commission continued with its programme of ongoing registration. This was mainly to enable voters to re-register if their details change or in preparation for by-elections.

A review of the Commission's information technology (IT) applications was conducted in order to ensure better management of its national network of voting stations. In addition, the Commission continued to

work closely with municipalities and government departments to assess voting station infrastructure.

More than 2.5 million addresses were captured in the period under review.

Informing voters on electoral processes with a view to ensuring maximum participation (turnout) and the lowest possible number of spoiled ballot papers

A total of 61 by-elections were held during the financial year. Voter turnout averaged about 31%, which is consistent with voting patterns for by-elections in previous years. The percentage of spoiled ballot papers for by-elections remained very low at 1.55%.

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

The number of political parties registered with the Commission increased by nine from the previous year. A total of 210 candidates participated in 61 by-elections during the course of the year.

Regular Party Liaison Committee meetings were held. The number of these meetings increased at municipal level in the run-up to by-elections. The Commission also sought to build capacity among political parties by organising a national by-election and proportional representation workshop in September 2006.

An amount of R79.085 million was allocated to represented political parties.

Maintaining and consolidating organisational systems and infrastructure in respect of voting facilities and agencies for by-elections

Surveys were conducted to improve the accuracy of information contained on the database of voting stations. The Commission entered into standardised lease agreements with landlords to ensure the ongoing use of voting stations.

The procurement and distribution of election materials for by-elections took place in a timely and cost-effective manner.

Ensuring that the necessary resources (financial and human resources, information technology, corporate services, legal support, security, and internal and external communications) are maintained in order to ensure the effective functioning of the Commission

The Commission complied with its statutory obligations and submitted monthly reports to the National Treasury. Financial control systems functioned effectively, and the recommendations from internal and external auditors were implemented. IT infrastructure was stable and performed consistently at the national office, the nine provincial offices and more than 300 municipal offices. Staff turnover remained low. A number of vacancies were not filled in the light of the review of the organisation's structure.

Offering the highest possible standard of training to officials to facilitate a fluent and effective voting process and the accurate recording of the results of elections

A training workshop was organised by the International IDEA and co-hosted by the Commission from 20 November to 1 December 2006. This comprehensive two-week "train-the-facilitator" course was attended by delegates from 14 African countries, and one delegate from Italy.

Despite the complexity of the task, there is no formal university-level degree or diploma available for the study of election administration. This is why organisations such as the International IDEA and the Commission have developed training curricula specifically to meet the needs of election administrators.

In conclusion, I would like to express my sincere appreciation to my colleagues at national, provincial and municipal levels for their dedication. The Commission is fortunate to have such an able team to ensure the successful implementation of its objectives.

SECTION 2



SOUTH AFRICA



VISION & MISSION

VISION

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

MISSION

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

LEGISLATIVE MANDATE & STRATEGIC OBJECTIVES

LEGISLATIVE MANDATE

In terms of section 190 of the Constitution of the Republic of South Africa (Act No 108 of 1996), the Electoral Commission must:

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

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

- compiling and maintaining a voters' roll by means of a system of registering eligible voters by utilising data available from government sources and information furnished by voters;
- compiling and maintaining a register of parties;
- undertaking and promoting research into electoral matters;
- developing and promoting the development of electoral expertise and technology in all spheres of government;
- continuously reviewing electoral legislation and proposed electoral legislation, and making recommendations in this regard;
- promoting voter education;
- declaring the results of elections for national, provincial and municipal legislative bodies within seven days after such elections; and
- appointing appropriate public administrations in any sphere of government to conduct elections when necessary.

STRATEGIC OBJECTIVES OF THE COMMISSION

The strategic objectives of the Commission are to:

- entrench the Commission as a focal point for the delivery of free and fair elections in the most efficient and cost-effective manner;
- maintain an optimal network of voting districts and voting stations for the by-elections to ensure reasonable access by voters and to maintain an accurate and up-to-date national common voters' roll;
- inform voters on electoral processes with a view to ensuring maximum participation (turnout) and the lowest possible number of spoilt ballot papers;
- ensure the effective participation of political parties and independent ward candidates in electoral processes;
- maintain and consolidate organisational systems and infrastructure in respect of voting facilities and agencies for by-elections;
- ensure that the necessary resources (financial and human resources, information technology, corporate services, legal support, security, and internal and external communication) are maintained in order to ensure the effective functioning of the Commission; and
- offer the highest possible standard of training to officials to facilitate a fluent and effective voting process and the accurate recording of the results of elections.

SECTION 3



SOUTH AFRICA



ACHIEVEMENT OF STRATEGIC OBJECTIVES ADDED BY THE
COMMISSION AFTER RECEIPT OF THE REPORT OF THE AUDITOR-
GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF THE ELECTORAL COMMISSION FOR
THE YEAR ENDED 31 MARCH 2007

STRATEGIC OBJECTIVE	MEASURE
<p>1. To entrench the Commission as a focal point for the delivery of free and fair elections in the most efficient and cost-effective manner</p>	<ul style="list-style-type: none"> • National resource centre on electoral democracy in the country • Development and enhancement of organisational and operational policies and procedures • Cooperation and strategic alliance between Electoral Commission and other institutions and relevant stakeholders • Participation in government-led initiatives on the establishment of democracy on the continent • Continued cooperation and strategic alliance with international stakeholders • Establishing and training staff in electoral units
<p>2. To maintain an optimal network of voting districts and voting stations for by-elections to ensure reasonable access by voters and to maintain an accurate and up-to-date national common voters' roll</p>	<ul style="list-style-type: none"> • Demographically balanced voters' roll reflecting population growth (including geographic areas and specific sectors) • A regularly maintained quality voters' roll • Aligned registration and identification systems • Readiness for the 2009 elections
<p>3. To inform voters on electoral processes with a view to ensuring maximum participation (turnout) and the least possible number of spoilt ballot papers</p>	<ul style="list-style-type: none"> • Effective educational and informational programmes for voters • High-quality training for electoral staff

MONITORING MECHANISM	OUTCOME
<ul style="list-style-type: none"> • Implementation and review of the Commission's organisational structure and operational procedures • Successful electoral democracy projects • Technical support and transfer of skills to its counterparts on the continent • Participation in observer missions and organisations such as the International Institute for Democracy and Electoral Assistance (IDEA), the SADC Electoral Commissioners' Forum, and the Association of African Electoral Authorities (AAEA) 	<ul style="list-style-type: none"> • Working groups were established with external assistance to assist the Commission with the refinement of its organisational structure. • The report of the national debriefing workshop on the municipal elections was released. • The Commission hosted the International Conference on Sustaining Africa's Democratic Momentum in March 2007. • Assistance was given to numerous bodies with the election of office-bearers, including assistance in 27 000 schools with the election of the parent component of school governing bodies. • Government funded the Commission to render electoral assistance to the DRC in the run-up to the presidential and legislative elections, and for technical and logistical support in the Comoros. • The Commission's continued participation in international conferences, observer missions and technical assistance programmes is reflected in Table 1 and 2 on p18.
<ul style="list-style-type: none"> • Growth in eligible registered voters on the voters' roll • Continuous registration campaigns • Improvement in the spatial alignment of population settlement patterns to the Commission's network of voting districts and voting stations • Address capturing to ensure that the names of registered voters would appear on the correct segment of the voters' roll 	<ul style="list-style-type: none"> • The voters' roll was reduced in the year ended 31 March 2007 by 419 913 registrations due to various reasons, including deaths, removal of non-citizens, etc. • During continuous registration, 19 199 new voters were registered, 6 983 re-registered in the same voting district and 12 698 re-registered in different voting districts. • More structured and formal relations were established between the Commission and municipal development planning units on the further enhancement of computer and geographic information technology software applications and modifications to the Commission's software application used in the management of its national network of voting stations. • More than 2,5 million addresses were captured in the year under review.
<ul style="list-style-type: none"> • Voter turnout equal to or better than previous by-elections • Spoilt ballot papers not more than 3% 	<ul style="list-style-type: none"> • A total of 61 by-elections were held. • Voter turnout for the by-elections was 31.06%, which is approximately the same as previously. • Spoilt ballot papers for the by-elections were 1.55%.



STRATEGIC OBJECTIVE	MEASURE
<p>4. To ensure the effective participation of political parties and independent ward candidates in electoral processes</p>	<ul style="list-style-type: none"> • Transparent political party registration system • Improved party liaison structures at local, provincial and national levels • Effective processing of party lists and candidate nominations • Effective management of by-elections • Management of allocation of funds to parties in terms of the Public Funding of Represented Political Parties Act, 1997 (Act No 103 of 1997) and Regulations, 1998
<p>5. To maintain and consolidate organisational systems and infrastructure in respect of voting facilities and agencies for by-elections</p>	<ul style="list-style-type: none"> • Standards for infrastructure of the Commission's voting station network • Strategy for warehousing and distribution of materials • Implementation of approved model for local delivery structure
<p>6. To ensure that the necessary resources, ie financial and human resources, information technology, corporate services, legal support, security, and internal and external communications, are maintained in order to ensure the effective functioning of the Commission</p>	<ul style="list-style-type: none"> • Appropriate MTEF budget allocations and management of expenditure within the required time frames • Financial management procedures and controls consistent and compliant with the PFMA and Treasury Regulations • Efficient and transparent supply chain management • Filling of key positions as per operational plan • Employment equity • Maintaining sound personnel records • A cost-effective and efficient IT infrastructure • Sufficient and effective administrative and application systems with databases to support electoral processes • Management of information
<p>7. To offer the highest possible standard of training to officials to facilitate a fluent and effective voting process and the accurate recording of the results of elections</p>	<ul style="list-style-type: none"> • Effective training of local electoral staff • Effective and efficient procedures for voting and counting • Effective management of election results • Enhanced capacity of election officials across the continent to manage and administer elections according to international standards

MONITORING MECHANISM	OUTCOME
<ul style="list-style-type: none"> • Compliance with Electoral Commission Act, 1996 • Compliance with Electoral Act, 1998 • Compliance with Public Funding of Represented Political Parties Act, 1997 	<ul style="list-style-type: none"> • Table 6 on p28 reflects parties registered with the Electoral Commission as at 31 March 2007 – nine more than the previous year. • PLC meetings were held at municipal level with a view to planning for by-elections. A national by-election and PR workshop was held in September 2006. • By-elections were held in 61 wards (287 voting districts). A total of 210 candidates participated in these elections. • An amount of R79 085 million was allocated to represented political parties.
<ul style="list-style-type: none"> • Development and communication of minimum specifications for voting station infrastructure • Development and publishing of bill of materials • Development and communication of timelines for warehousing and distribution • Compliance with section 105 of the Electoral Act, 1998 • Contracts with municipalities for the establishment of electoral units 	<ul style="list-style-type: none"> • Surveys were conducted to sanitise and improve the quality of the voting stations database. • Standardised lease agreements were entered into with all landlords to secure the ongoing use of voting stations. • Electoral materials stock was replenished on time and within budget. • The logistics information system was reliably used to plan the procurement of electoral materials for by-elections and to manage their distribution. • The Commission focused on preparatory work and scenario planning for the establishment of proposed electoral units.
<ul style="list-style-type: none"> • Statutory monthly budget versus actual expenditure and variance reports to National Treasury • Internal and external audit reports • Staff turnover • Stable, flexible and scalable IT service delivery platform • Reliable and consistent IT application systems • Secure and risk-free IT environment • Compliance with the Archives Act • Compliance with the Promotion of Access to Information Act, 2000 	<ul style="list-style-type: none"> • Statutory monthly reports were submitted to the National Treasury on the 15th of each month. • Recommendations by internal and external auditors were implemented. • An unqualified audit report was received from the Auditor-General. • Financial control systems functioned effectively. • Expansion staff contracted for local government elections were terminated in April. • Staff turnover was the same as the previous year. • Internal and external audit reports did not reflect negatively on personnel records. • Stable and consistent IT infrastructure at national office, nine provincial and more than 300 municipal offices. • No outside intrusion or interference was experienced with IT systems.
<ul style="list-style-type: none"> • SAQA-approved training projects • Accurate election results • Participation of African election management bodies 	



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

3.1 ENTRENCHING THE COMMISSION AS A FOCAL POINT FOR THE DELIVERY OF FREE AND FAIR ELECTIONS IN THE MOST EFFICIENT AND COST-EFFECTIVE MANNER

The Electoral Commission successfully delivered South Africa's second democratic municipal elections during the previous financial year. A national debriefing workshop on the municipal elections was held on 13 and 14 June 2006. This workshop followed on various provincial debriefings, as well as thematic debriefing sessions held by respective departments. The report of the national debriefing workshop informed various internal discussions in the Commission.

With an eye on the celebration of its 10th year of existence, the Electoral Commission decided to subject itself to an internal organisational review. Extensive consultation took place during the review process. Various internal working groups were established, which assessed the organisation's current structure against its vision, mission statement and legislative mandate. The outcome of this process was the identification of a need for external assistance to help the Commission refine its organisational structure to enable it to deliver its mandate more effectively.

The Electoral Commission continued to assist various bodies with elections. Assistance was given with the elections of the following bodies:

- Trustees and office-bearers of the POLMED medical scheme
- Trustees and office-bearers of the PROSANO medical scheme
- The Eastern Cape provincial executive committee of the taxi association, SANTACO
- The Executive Committee of the Mafikeng Muslim Community
- The Executive Committee of the Public Sector Training Forum
- District and provincial houses of traditional leaders in KwaZulu-Natal
- The Students' Representative Council (SRC) of the University of the Witwatersrand
- The SRC of North West University
- The SRC of the Cape Peninsula University of Technology
- The SRC of the Nelson Mandela Metropolitan University.
- The SRC of the Walter Sisulu University

- The SRC of the University of Fort Hare
- The SRC of the University of Zululand
- The SRC of the University of the Western Cape
- The SRC of the University of Cape Town
- The SRC of the University of Stellenbosch
- The SRC of the Lowveld College of Agriculture
- The SRC of the Northern Cape College for Further Education
- The Board of Directors of the Rural Women's Movement
- Some ward committees in KwaZulu-Natal and the Eastern Cape
- Board members of UNITRA Community Radio
- The Black Management Forum
- Free Ethiopia Church of South Africa
- Trustees and office-bearers of the Communal Property Association (in conjunction with the Department of Land Affairs)
- The Mpumalanga Taxi Council

Large-scale assistance was also provided to the national Department of Education and the various provincial education authorities with the elections of school governing bodies (SGBs). These elections took place at more than 27 000 schools throughout the country to fill more than 100 000 positions, which comprise the parent component of SGBs. The support was given under the aegis of a letter of agreement that was concluded between the Commission and the Department of Education.

In terms of this agreement, the Commission provided general technical advice on elections, supplied ballot boxes and other election material, trained provincial, district and school electoral officers, and randomly observed SGB elections, where capacity existed.

The Commission participated in Africa Human Rights Day celebrations on 21 October 2006 in partnership with other Chapter 9 institutions in Qwaqwa, and in the International Human Rights Day lecture on 10 December in partnership with other Chapter 9 institutions in Johannesburg.

In partnership with the African Union and the International Institute for Democracy and Electoral Assistance (International IDEA), the Commission hosted the International Conference on Sustaining Africa's Democratic Momentum in Johannesburg from 5 to 7 March 2007. The conference was attended by over 320 delegates, including former heads of African states and government, policy-makers, academics, and representatives of electoral management bodies, political parties and civil society from Africa, Latin America and Asia.

The Commission will continue to participate in the nurturing and sustenance of democratic values worldwide, and will endeavour to strengthen its participative role in member organisations like the International IDEA and the Southern African Development Community (SADC) Electoral Commissioners' Forum (ECF). During the period under review, the Commission undertook a number of international study visits, conferences and workshops in a number of countries. Tables 1 and 2 show the visits undertaken by commissioners and staff of the Electoral Commission.



Table 1: International visits by commissioners of the Electoral Commission

Name	Date	Country	Purpose
B Bam	30 April 2006	Ethiopia	Attended AU election experts' meeting
	27 August 2006	Swaziland	Attended SADC ECF meeting
	27 November 2006	UK	Attended the 10 th anniversary of the Constitution celebrations
Judge H Msimang	25 September 2006	Zambia	Attended SADC observer mission

Table 2: International visits by staff of the Electoral Commission

Name	Date	Country	Purpose
P Tlakula	5 May 2006	Banjul	Attended meeting of the African Commission
	13 November 2006		
	11 July 2006	UK	Attended 5 th Cambridge Conference on Electoral Democracy in Commonwealth
	10 January 2007	UK	Attended international conference at Wilton Park
	16 February 2007	Nigeria	Rendered technical assistance
	14 March 2007	Zimbabwe	Attended Electoral Support Network's Stakeholders' Roundtable on Elections
M Mosery, S Ngidi	29 June 2006	Mexico	Observed presidential federal elections
M Hendrickse	22 April 2006	Ethiopia	Attended AU election experts' meeeting
	5 June 2006	Congo-Brazzaville	
S Sampson	3 September 2006	UK	Attended International Conference on Regulation of Political Party Financing
S Ngwenya	27 November 2006	UK	Attended the 10 th anniversary of the Constitution celebrations
B Finca, A Kekesi, E Düring	25 July 2006	Seychelles	Observed elections
C Mepha	27 August 2006	Swaziland	Attended SADC ECF meeting

Table 2: International visits by staff of the Electoral Commission

Name	Date	Country	Purpose
R Munisamy, M Ford	5 September 2006 23 September 2006	Zambia	Rendered technical assistance
W Murray, N Neswiswi	9 October 2006	Australia	Attended international symposium: Engaging Youth in Modern Democracy
B Finca	4 October 2006	Rwanda	Rendered assistance with the Truth and Reconciliation Commission (TRC)
L Maphanga	16 February 2007	Nigeria	Rendered technical assistance
M Mosery	25 February 2007	Botswana	Attended workshop on restructuring of the European Commission (EC)
S Ngwenya, B Masuluke, G Abrahams, H Mdluli, J Bekebeke A Rauch, A van Wyk, C Munro, C Venter, K Mbelani, K Thuleka, L Baloyi, L Martin, S Langtry, S Ndala, W Nell	14 April 2006 - 28 February 2007	Comoros	Rendered technical assistance to the Comoros Presidential Elections
N Dyosi, MP Fenyane, F Gcinisa, S Gumede, J Hughes, L Magazi, M Mokgoka, T Mokoena, V Mooi, M Mvula, T Ngobese, B Nonjinge, T Nqhome, N Phewe, N Ramathebane, M Sithebe	12 - 23 February 2007	Lesotho	Observed National Assembly Elections



TECHNICAL SUPPORT TO OTHER ELECTORAL MANAGEMENT BODIES

The Commission continued its trend of moving beyond observing elections by also offering technical assistance to its counterparts on the African continent.

Electoral assistance to the DRC intensified in the run-up to the presidential and legislative elections, which were scheduled to take place on 30 July 2006. Electoral assistance took many forms and culminated in the recruitment of more than 120 individuals to be deployed in the DRC to assist with IT, logistics and project management functions.

The Commission provided the following technical support to the electoral commission of the DRC (CEI) in accordance with a formal agreement between the South African government, the CEI and the United Nations Development Programme (UNDP):

- Assistance with the preparation of ballot paper production and management of candidate data
- Supporting a series of one-week electoral logistics training courses at various locations in the DRC in July 2006, in preparation for the distribution of voting materials
- Managing the production and delivery of ballot papers for round 1 and 2 of the elections in the DRC, between May and September 2006 (this amounted to 145 million ballots, totalling 3 000 tons)

The Commission's IT division was the focal point of the DRC election assistance programme. Six IT staff members were deployed to the DRC as early as the first week of the financial year. The assistance programme continued for eight months and delivered two elections.

The Commission's team gave critical input at all levels of IT service delivery, provided strategic guidance, reinforced management oversight, planned critical support systems and processes and provided actual skilled professional services at the development and delivery levels of the required systems. This culminated in the recruitment, training and deployment of more than 140 technicians to all election centres across the country in both elections, providing the backbone of IT support and results capturing.

The IT team became a major centre for information flow, supporting results capturing, monitoring progress and tracking issues and challenges in the field. It was a reliable source of alternative and reliable information, and a pillar that ensured that the DRC elections were delivered within the given time frame.

Dr Bam, Ms Mpumlwana and Mr Tselane travelled to the DRC on various occasions to provide guidance to the CEI before, during and after both rounds of elections in that country.

The following IEC staff members travelled to the DRC as part of the technical assistance programme:

Africa, Shalmien	Kgobe, Peter	Motswadira, Timothy	Ngobo, Elvis
Aphane, James	Khubutlo, Mfundisi	Mbamba, Mandlenkosi	Nkomo, Siboniso
Aphane, Jane	Khumalo, Dumisani	Mbatha, Nokwazi	Nkosi, Sikelela
April, Carol	Kresfelder, Kim	Mbebe, Whitey	Nobatane, Theodor
Arendse, Karel	Kwinda, Tshifiwa	Mbeleni, Belinda	Nthejane, Ledimo
Baleta, Yvette	Langtry, Stephen	Mbelani, Kholiswa	Nyongo, Nonhlanhla
Beharie, Milla	Leeu, Wandile	Mbongisa, Gladys	Pansegrouw, Adele
Bekebeke, Justice	Lehloka, Telang	Mepha, Jabulani	Perreira, Charmaine
Bentley, Megan	Lekalala, Magdeline	Metswamere, Margaret	Phumo, Jabu
Boyle, Simon	Lepesa, Theo	Mhambi, Brenda	Rampete, Ralph
Chaplog-Louw, Geraldene	Lingani, Simon	Moepya, Mosotho	Ratau, Ntsidibane
Charles, Mogamat	Louw, Dirk	Mogorosi, Tau	Sambamba, Dan
Chili, Siphwe	Mabala, Charmaine	Mokoena, Thabiso	Sampson, Courtney
Crichton, Barbara	Mabuza, Solly	Mokwebo, Herson	Sanqela, Pamela
Coleman, Collin	Mafuya, Zolisa	Molefe, Kgopedi	Schiel, Derrick
Damara, Andrew	Magama, Hargreaves	Mosili, Getu	Sebape, Omega
De Wet, Ester	Magcanya, Pansy	Moloele, Molefi	Sebastian, Gwen
Didiza, Bulelani	Mahape, Isaac	Morape, Terrence	Seekoei, Abraham
Dikolomela, Frans	Mahlangu, Odnot	Mosia, August	Sethoba, Tumi
Dipico, Zamani	Mahlangu, Rupert	Mosia, Paul	Shabangu, Joyce
Dlamini, Stella	Mahundla, Rirhandzu	Mothupi, Harold	Shabangu, Neville
Dondolo, Orapeleng	Makhasi, Nozuko	Mpila, Xolani	Sijama, James
Dube, Jony	Makhuva, Fhatuwani	Mulaudzi, Mphariseni	Sikhosana, Simangele
Dugmore, Makoloi	Maki, Siyabonga	Nackerdien, Rushdie	Sithole, Patrick
Du Plessis, Norman	Makwela, Matome	Naidoo, Godfrey	Sithole, Sam
Dyasi, Phumelele	Mamabolo, Sy	Naidu, Roshnie	Tlakula, Pansy
Folotsi, Beauty	Mantshiyose, Khutha	Nevhutalu, Zwo	Topkin, Elkin
Geweldt, Priscilla	Maphanga, Libisi	Ngqasa, Nokwana	Tshabalala, Jabulani
Hendrickse, Michael	Mashigo, Thakane	Nhlapo, Rich	Thibedi, Seithlamo
Hlungwana, Dumas	Masiu, Tlale	Nel, Willie	Wildebees, Maruping
Kelembe, Mlungisi	Mathenjwa, Njabulo	Ngcobo, Xolani	Young, Lydia
Kgageng, Sello	Matsemela, Rachel	Ngcongco, Nondumiso	Zimemo, Sibongile

Subsequently, debriefing sessions were held internally with the IEC on 5 September 2006 and with the CEI and the UNDP on 26 and 27 September 2006. Soon after that, work started for the second round of elections on 29 October. Upon the successful conclusion of the DRC project, the Commission requested the commencement of a DRC documentation project.

The Chief Electoral Officer was invited to serve on the International Technical Advisory Committee of the Independent National Electoral Commission of the Federal Republic of Nigeria (INEC).

The Commission further provided wide-ranging support for elections in the Comoros in May 2006. The support was of a technical and logistical nature and was rendered under the auspices of the African Mission in Support of Elections in the Comoros (AMISEC). This followed support that was granted on a smaller scale during the primary elections in April. After that, the Commission received a request from the Department of Foreign Affairs to provide assistance with the elections for the three island presidents of the Comoros during June 2007.

The IT division also participated in the mission to assist the Zambian Electoral Commission in planning and preparing its



election centre. It later participated in the actual activities during the election days.

The Commission's overall mission with the implementation of these projects is to transfer skills to the local electoral officials.

The Commission hosted delegations from Cameroon, Germany, Sudan, Liberia and a number of delegations from the DRC that

wanted to learn and share experiences about the management of elections. In April and June 2006, an official was sent to attend meetings in Ethiopia and the Congo (Brazzaville) to discuss the establishment of an AU electoral assistance unit. In addition, the Commission sent two officials to observe the presidential elections in Mexico during June and July 2006. Three officials were sent as an observer team for the presidential elections in the Seychelles.

3.2 MAINTAINING AN OPTIMAL NETWORK OF VOTING DISTRICTS AND VOTING STATIONS FOR THE BY-ELECTIONS TO ENSURE REASONABLE ACCESS BY VOTERS AND TO MAINTAIN AN ACCURATE AND UP-TO-DATE NATIONAL COMMON VOTERS' ROLL

Registration of voters

The Electoral Act, 1998 (Act No 73 of 1998), requires the Commission to compile and maintain a national common voters' roll. Voters have to register to vote in the voting district in which they ordinarily reside (that is the place to which a voter returns after a period of temporary absence). Each voting district is serviced by one voting station. The voters in a particular voting district have to register to vote at the voting station in their voting district. On voting day, the voters will find their names on that unique voting district portion of the national common voters' roll.

The Electoral Commission implemented several projects aimed at improving the quality of the voters' roll. The main objective was to ensure that the names of registered voters would appear on the correct segment of the voters' roll for the relevant voting district on the day of the elections. This initiative comprised continuous voter registration, address capturing, voters' roll verification and by-election voters' roll management.

Registration figures

The voters' roll was reduced by 419 913 registrations in the period from April 2006 to March 2007 due to reasons ranging from deaths to the removal of non-citizens.

Table 3: Changes in the voters' roll

Province	Registration statistics	
	1 April 2006	31 March 2007
Eastern Cape	2 907 884	2 846 971
Free State	1 318 389	1 280 706
Gauteng	4 785 819	4 694 272
KwaZulu-Natal	3 957 836	3 867 324
Mpumalanga	1 546 652	1 511 230
Northern Cape	528 658	518 593
Limpopo	2 146 147	2 114 835
North West	1 554 842	1 521 581
Western Cape	2 301 340	2 272 142
TOTAL	21 047 567	20 627 654

Continuous voter registration

Voters were encouraged to register or update their registration details on the voters' roll at the local offices of the Electoral Commission.

Table 4: Changes in the voters' roll

Province	New registrations	Re-registrations in the same voting district	Re-registrations in different voting districts	Grand total
Eastern Cape	5 744	3 027	2 130	10 901
Free State	240	66	370	676
Gauteng	1 224	203	1 416	2 843
KwaZulu-Natal	4 187	834	3 026	8 047
Mpumalanga	1 538	489	995	3 022
Northern Cape	1 025	207	459	1 691
Limpopo	1 851	1 029	841	3 721
North West	2 103	848	2 397	5 348
Western Cape	1 287	280	1 064	2 631
TOTAL	19 199	6 983	12 698	38 880



Voters have to register in the voting districts in which they ordinarily reside to ensure convenient access to voting stations (so that voters do not have to wait in queues for long periods), to ensure that voters do not vote more than once in an election, and to assist the Commission with efficient administrative planning for elections.

In giving effect to its strategic objectives, the Commission undertook to improve voter access to registration and voting stations for the 2006 elections, to ensure that voting districts corresponded with the redelimited wards of the Municipal Demarcation Board (MDB) for the 2006 municipal elections prior to voter registration drives, and to help ensure that voters would find their names on the correct segments of the voters' roll on voting day; in other words, to improve the quality and accuracy of the voters' roll.

The lessons learnt from past rounds of elections inform discussions on innovative voter registration strategies. A particular focus in this regard is the youth sector. These discussions are ongoing and will lead to the development of new projects.

A Delimitation and Voter Registration Indaba was held from 4 to 6 September. The purpose of this event was to discuss the lessons learnt during the 2006 municipal elections in more detail and to prepare for future elections.

Although there was no full-scale election in the period under review, it is useful to provide a historical context. A total of 14 650 voting districts were delimited for the 1999 general elections when the

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

Table 5 illustrates the change in the geographical distribution of voting districts and voting stations for the 1999, 2000, 2004 and 2006 elections.

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

The MDB changed several (outer) municipal boundaries during the period under review (not to be confused with ward boundaries). The Electoral Commission is required to assess the impact of such municipal boundary changes on its network of voting

Table 5: Change in geographical distribution of voting districts and stations

Province	Voting districts 1999	Voting districts 2000 (% change)	Voting districts 2004 (% change)	Voting districts 2006 (% change)
Eastern Cape	2 646	3 087 (17)	4 115 (33)	4 368 (6)
Free State	1 075	1 061 (-1)	1 063 (0,2)	1 186 (12)
Gauteng	1 841	1 979 (7)	1 956 (-1)	2 172 (11)
KwaZulu–Natal	3 340	3 336 (-0,1)	3 556 (7)	4 064 (14)
Mpumalanga	877	1 023 (17)	966 (-6)	1 259 (30)
Northern Cape	357	396 (11)	347 (-12)	621 (79)
Limpopo	1 954	1 796 (-8)	2 170 (21)	2 274 (5)
North West	1 252	1 020 (-19)	1 445 (42)	1 488 (3)
Western Cape	1 308	1 290 (-1)	1 348 (5)	1 441 (7)
TOTAL	14 650	14 998 (2)	16 966 (13)	18 873 (11)

1. For municipal elections 2000, the provincial boundaries were transgressed by cross-border municipalities.
 2. Cross-border municipalities were abolished ahead of municipal elections 2006, resulting also in provincial boundary changes.

districts and stations, the voters’ roll and voter registration, and voter representation in the municipal councils concerned.

In addition to this, the Commission liaised with municipalities regarding new population concentrations for delimitation purposes. It is not anticipated that significant changes in voting district boundaries will occur ahead of the 2009 elections. The number of voting stations may see a moderate increase.

Officials are also involved in identifying changes in population settlements with the view to informing voting district delimitation, voting station identification and, ultimately, a more accurate voters’ roll.

Voters’ roll verification

Every month the voters’ roll is run against the national population register to verify the status of voters. A total number of 20 627 654 voters remained on the voters’ roll at the end of the period under review.

Following the 2006 municipal elections, the Commission undertook a review of the geographic functionality of all its voting districts and voting stations, based on the experience of those elections. The Commission also conducted an

assessment of voting district and station identification operational processes with a view to introducing more efficient and improved processes ahead of the 2009 national and provincial elections.

During the above review, it was noted that voter access to voting stations had been considerably enhanced (particularly in rural areas) by increasing the number of additional voting districts and stations for the 2006 municipal elections. However, it was also noted that voter access to voting stations was uneven when comparing access to voting stations in certain former black townships and informal settlements, and middle-income suburban areas. In addition, the review revealed operational improvements that could improve the spatial alignment of population settlement patterns with the Commission’s network of voting districts and stations.

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



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

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

Address capturing

This project assisted the Commission in updating voter information on the voters' roll. The Commission is required to provide the MDB with a revised set of voting district boundaries for the delimitation of wards. The Electoral Act requires the Commission to provide participating political parties with a voters' roll with addresses. A total number of 2 547 166 addresses from RECI forms were captured on the system. This data requires further analysis to enhance its accuracy and value.

3.3 INFORMING VOTERS ON ELECTORAL PROCESSES WITH A VIEW TO ENSURING MAXIMUM PARTICIPATION (TURNOUT) AND THE LOWEST POSSIBLE NUMBER OF SPOILT BALLOT PAPERS

Electoral democracy development and education

The Commission divided its Electoral Democracy Development and Education (EDDE) activities into the following projects: voter education at schools, voter education for by-elections, education for people with special needs, democracy education (through stakeholder management and outreach, and mass education) and multimedia education.

A national EDDE workshop was held on 11 August 2006. A follow-up inter-provincial EDDE workshop was held in Mpumalanga from 20 to 22 September 2006. In the Northern Cape and Mpumalanga, the

provincial offices worked closely with other Chapter 9 institutions to conduct seminars and workshops for the youth and on children's rights.

Women's Month was celebrated in August 2006. The Commission participated in a number of events with other organisations to mark this occasion. During the period under review, the Commission also participated in various activities to mark National Youth Day on 16 June 2006.

The Mpumalanga provincial office hosted a seminar on citizens' rights and responsibilities in collaboration with the Department of Local Government and the Department of Home Affairs.

The Eastern Cape provincial office hosted a “bosberaad” with farming communities. The Gauteng provincial office hosted a women’s stakeholders’ conference. The North West provincial office held a meeting with Dikgosi.

Two members of staff attended a symposium on youth participation in democracy in Australia. With respect to the schools project, engagement took place with various provincial departments of education.

Electoral democracy development at schools

The infusion of electoral democracy in the General Education and Training band in a limited number of schools continued during the

period under review as part of the effort to include democracy, human rights and peace education in the school curriculum. Facilitators and educators were trained over a 22-hour period prior to provincial implementation. In-class implementation focused on the six knowledge areas of EDDE: human rights and elections, politics and elections, the South African Constitution, electoral systems and processes, balloting education, and participation. Lesson guides and supporting material, such as copies of the Constitution, were also made available.

New schools were added to the project during the period under review, and various provincial initiatives are under way to support work in this area. Currently, 550 schools are involved in the project.

3.4 ENSURING THE EFFECTIVE PARTICIPATION OF POLITICAL PARTIES AND INDEPENDENT WARD CANDIDATES IN ELECTORAL PROCESSES

Liaison with parties

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

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

The committees serve as an important link between the contestants and the Commission and provide a forum for the sharing of information. They also serve as a forum for different parties to interact with one another. The local PLCs also give parties an opportunity to provide input on matters such as

voting district boundaries and the location of voting stations. The names of prospective presiding officers are also made known at these committee meetings and parties are given the opportunity to make substantive objections against such persons.

PLC meetings continued to be held at municipal level with a view to planning for by-elections and to discuss other pertinent issues. The Gauteng Provincial PLC held a review workshop in July 2006. A national by-election and proportional representation workshop was held on 13 September 2006.

Registration of parties

The total number of registered parties was 168 (93 at national and 75 at municipal level). Of these parties, 77 are unrepresented. Letters reminding unrepresented parties to renew their registrations for 2007 were sent to all parties concerned.



Table 6 presents the total number of parties registered with the Commission.

	National	Local	Total
Registered parties	93	75	168
Deregistered parties	0	0	0
Cancellation of registration	0	0	0
Parties currently registered	93	75	168

Requests were received for the replacement of proportional representation (PR) councillors due to resignations, death and expulsions.

By-elections

During the period under review, 61 by-elections were held to fill ward vacancies. Ward vacancies must be filled within a

90-day period from the date on which the vacancy occurred. The 61 vacancies followed the resignations and deaths of councillors, councillors who had ceased to be members of the parties that nominated them as candidates, and councillors who had lost their seats due to imprisonment.

Table 7 reflects the by-elections per province.

Province	By-elections	Number of voting districts	Number of wards	Registered voters
Eastern Cape	6	50	6	22 394
Free State	2	7	2	6 784
Gauteng	4	21	4	44 015
KwaZulu-Natal	20	93	20	109 022
Mpumalanga	9	29	9	46 232
Northern Cape	2	7	2	6 252
Limpopo	3	9	3	9 906
North West	10	51	10	51 605
Western Cape	5	20	5	39 522
TOTAL	61	287	61	335 732

Note: The figures above include information for uncontested by-elections.

3.5 MAINTAINING AND CONSOLIDATING ORGANISATIONAL SYSTEMS AND INFRASTRUCTURE IN RESPECT OF VOTING FACILITIES AND AGENCIES FOR BY-ELECTIONS

Infrastructure of voting stations

After the municipal elections of March 2006, activity at voting stations slowed substantially. While normal activities supporting by-elections continued, the voting station network remained unchanged.

As the management of voting stations remains an integral part of election management, the emphasis has moved to improving the quality of data available on the voting station database. Surveys have therefore been conducted in various areas to keep track of new developments countrywide.

There are still 18 873 voting stations in the network spread across the country. Of these, 17 871 are permanent, 920 temporary and 82 mobile voting stations. Some 65.4% of voting stations are in schools. Of the 17 871 permanent voting stations, 24.6% (4 399) do not have operating electricity, 10.5% (1 893) do not have toilets and 17.6% do not have water.

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

Electoral logistics and by-election support

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

Support for by-elections comprised the following:

- Managing the ballot paper generation (BPG) system. (This system creates individual ballot papers for each ward by-election, and makes the papers available for printing at

the municipal election office (MEO). The same applies to results slips.)

- Preparing, picking and dispatching security materials for each by-election to provincial (PEO) offices
- 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, and the established processes will be followed in the new financial year. Electoral materials stock was replenished on time and within budget.

Logistics infrastructure

This logistics infrastructure consists of the warehousing network and materials handling equipment at the warehouses. The network consists of 11 warehouses – one warehouse in each province, except for North West, which has two, and a central warehouse controlled from head office.

Logistics information system

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



Portable bar scanning unit equipment

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

In a new strategy to accelerate voter identification, PBSUs carrying an electronic version of the voters' roll were used at voting stations on Election Day, 1 March 2006. Following the conclusion of the elections, all units were retrieved from the field, withdrawn to provincial storage sites and securely stored.

The PBSU equipment performed adequately and is technologically fit for limited further use. However, due to age and the robust nature of its use in the field, the physical state of the equipment presents cause for concern. Deliberations are under way to establish the viability of further large-scale maintenance versus the procurement of new units.

Development of municipal electoral offices

The Electoral Commission has 237 local representatives known as municipal electoral officers (MEOs). Each MEO is responsible for one municipal area. MEOs are normally senior employees of municipalities who have been identified to provide part-time assistance on election-related matters. However, full-time MEOs were also appointed in certain cases. The MEOs in municipal employment are paid honoraria to compensate them for the extra work. They facilitate cooperation

between the Electoral Commission and their municipalities. The MEOs require support staff to assist them in the day-to-day management of elections and election-related projects, and this role is currently filled by 439 electoral project coordinators (EPCs).

In preparation for the 2006 municipal elections, the MEO support staff structure was expanded by appointing 599 area project coordinators (APCs), 94 sub-MEOs, 77 assistant MEOs, 46 district council MEOs and 3 938 area managers, all on fixed short-term contracts to assist with the increased workload and logistical arrangements. A considerable amount of work was also done in expanding MEO offices by opening and equipping decentralised offices with basic office infrastructure to facilitate easy access to MEOs and support staff during the election period. During the period under review, following the conclusion of the elections, these expanded staff and office structures were scaled down again to cater for only the day-to-day functioning of the MEO office. The process of terminating expanded staff and office infrastructure contracts was facilitated.

There has been a functional relationship between the Commission and most municipalities in the registration of voters and the management of elections in all three spheres of government since 1998. In view of the changes that have taken place in local government over the past years and in a quest for excellence, it became vital to review this relationship and the assistance local government historically rendered to the Commission. The view of the Commission that the interest of both the

IEC and municipalities would be better served by a proposed new cooperative agreement aimed at, among other things, the establishment of an electoral unit in each participating municipality, was adopted in principle by the relevant local

government bodies. During the period under review, attention was given to preparatory work and scenario planning on the establishment of the proposed electoral units.

3.6 ENSURING THAT THE NECESSARY RESOURCES (FINANCIAL AND HUMAN RESOURCES, INFORMATION TECHNOLOGY, CORPORATE SERVICES, LEGAL SUPPORT, SECURITY, AND INTERNAL AND EXTERNAL COMMUNICATIONS) ARE MAINTAINED IN ORDER TO ENSURE THE EFFECTIVE FUNCTIONING OF THE COMMISSION

Procurement and asset management

During the period 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 matters in dealing with supply chain management requirements:

- Effective implementation and operational management of an electronic procurement system (eProcurement/ Votaquotes)
- Continuing 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 No 5 of 2000)
- Implementing and maintaining reporting requirements to National Treasury concerning contracts entered into and supplier details. This included continuous adjustment, where necessary, of its procurement systems and processes to enhance the Commission's reporting ability to the National Treasury and the South African Revenue Service (SARS)
- Effective implementation and operational management of an effective contract management application system
- Implementation of a web-based asset management system to enhance the Commission's asset management procedures and systems at national, provincial and local level

- Continuous bar-coding and recording of all assets in the asset register and ensuring frequent asset verification processes at national, provincial and local levels
- Reassessment of assets in the Commission's asset register and alignment with the requirements of the Public Finance Management Act (PFMA), Generally Accepted Accounting Practice (GAAP) and International Financial Reporting Standards (IFRS)
- Continuing with skills development initiatives at the national and provincial offices for supply chain management functions

Assessment of procurement initiatives and their impact on black economic empowerment and small businesses.

During the period under review, an assessment was performed of the impact of the Electoral Commission's procurement processes on small business development and black economic empowerment (BEE).

The Commission awarded 197 contracts, of which 138 went to BEE companies (approximately R9.095 million). Approximately 95% of bids awarded through eProcurement auctions went to BEE companies.

The actual expenditure on these contracts for the period under review amounted to R30.2 million, and was procured through tenders (R5.5 million), quotations (R20.4 million) and auctions (R4.3 million).



Measured against actual expenditure, the value of contracts awarded to small businesses and the impact on small enterprises and BEE companies were as follows:

	Percentage of expenditure	Number of contracts awarded	Percentage of contracts awarded
Microenterprises	36.96%	63	31.98%
Very small enterprises	28.32%	29	14.72%
Small enterprises	21.03%	80	40.61%
Medium enterprises	6.25%	19	9.64%
Non-SMMEs (small, medium and microenterprises)	7.44%	6	3.05%

Internal audit

In terms of the PFMA (section 51(1)(ii)) and Treasury Regulation 3.2.6, internal audits must be conducted in accordance with the standards set by the Institute of Internal Auditors (IIA).

Internal audit units are therefore required to comply with, among others, the IIA's International Standards for the Professional Practice of Internal Auditing. Standard 1312 requires that all internal audit units have an external quality assurance review performed every five years. In order to ensure PFMA compliance, the Commission's internal audit unit performed an internal self-assessment of the activity according to the procedures prescribed by the Institute. The self-assessment was then submitted for external review to an independent party. The external validator concurred with the opinion expressed in the self-assessment report that the internal audit activity of the Commission generally conformed to the standards. However, some exceptions were identified where the activity only partially conformed to the standards.

Recommendations to address these exceptions are being implemented.

During the period under review, the internal audit unit, with the assistance of outsourced internal audit service providers, reviewed statutory reports to the Commission and the National Treasury, reviewed and reported on standard control and authorisation processes for the procurement of goods and services, and reviewed and submitted comments on recommendations presented to the Procurement and Disposal committees. The unit furthermore conducted internal and follow-up audits in provincial electoral offices and municipal offices, and addressed issues raised during internal and external audits. It also reviewed leave records, the payroll, travel claims, petty cash, the contract register and creditors' reconciliation at all provincial electoral offices, and continuously monitored the asset register verification process. In addition, it rendered secretarial support to the Audit Committee, implemented recommendations, reported back on all issues, and reported fortnightly on issues as requested by the Commission's Finance, Audit and IT committees.

A strategic risk analysis and a strategy for fraud and loss risk management and prevention were continuously assessed and updated with the assistance of management. The results of this assessment were recorded and summarised in the Strategic Three-Year Internal Audit Plan in order to provide a holistic view of risk and assurance in the organisation.

Financial management

Monies received from other sources

All monies received from other sources towards expenditure in connection with exercising of the Commission's powers and the performance of its functions is reflected in the audited annual financial statements accompanying this report.

Audited financial statements on income and expenditure

The following audited financial statements accompany this report:

- Statement of financial position
- Statement of financial performance
- Statement of changes in net assets
- Cashflow statement
- Accounting policies
- Notes to the financial statements

Auditor-General's report

The Auditor-General's report on the financial statements and performance information is included.

The Commission expresses its appreciation to the Auditor-General for the thorough manner in which the audit was dealt with.

Human resource management

Developing and implementing human resource management and development systems

Staff turnover has been minimal during the past year. This impacts on the Commission's ability to achieve the targets set in its Employment Equity (EE) Plan. A particular challenge was the appointment of women at senior management level. The Commission has succeeded in its efforts to promote skills development and to produce a cadre of experts in election management.

Table 8 reflects the Commission's recruitment, promotions and resignations situation, according to component and grade, during the period under review.

Rank	Recruited	Promoted	Resigned	Foreign employees
Senior Manager	-	1	2	-
Manager	3	1	2	-
Deputy Manager	3	-	1	-
Assistant Manager	1	1	4	-
Senior Administrative Officer	1	1	1	-
Administrative Officer	4	-	2	-
Assistant Administrative Officer	1	-	2	-
Administrative Clerk	-	-	1	-
Housekeeper/Driver	2	-	1	-
TOTAL	15	4	16	-



Employment Equity

The Commission's five-year Employment Equity (EE) Plan expires in August 2007. At the beginning of 2007, the process of drafting a new EE Plan began in earnest. Line managers are required to consider the Commission's stated EE targets to meet numerical goals, and to ensure that these goals are reflected in final decisions pertaining to the employment and development of staff.

Performance management, rewards and skills development

The Electoral Commission introduced a performance assessment system during

the previous financial year. All members of staff were trained and assessed in terms of key result areas and key performance indicators. This system enabled the Commission to reward meritorious performance and to identify skills development needs. Performance management is currently being reviewed. In keeping with the new strategic objectives approved by the Commission, together with the reviewing of the performance management system, new performance agreements are to be concluded from 1 April 2007.

Table 9 reflects the Commission's skills development and training activities during the period under review.

Table 9: Skills development and training

Number of staff members	Programme	Internal/external
21	Bursary scheme allocation and approval	External
9	Management development programme	External
8	Project management programme	External
1	Management programme	External
3	Supply chain management programme	External
3	Logistics management programme	External
1	French lessons	Internal
1	Effective asset management	External
2	Leadership programme	External
1	Project management for non-project managers	Internal
9	Tax year-end 2007	Internal
3	Executive secretaries and personal assistants	External
1	Supervisory skills programme	External
7	First aid course levels 1 - 3	External
1	Certificate in Geographic Information Systems (GIS)	External
1	Advanced programme in project management	External
4	Diploma in Labour Law	External
1	Essentials of project management	External
1	National Diploma in Payroll	External
6	Computer course	External
11	Membership of professional bodies	External
12	Life skills course for housekeepers	External
107	TOTAL	

Injury, illness and death

The average number of days' sick leave taken and the inherent cost of these days are reflected in Tables 10 and 11.

Table 10: Sick leave	
Detail of sick leave	
Total number of days' sick leave taken	855.50
Estimated cost of sick leave taken	R872 275
Number of employees who took more than 15 consecutive days	13

Table 11: Average days' sick leave taken according to rank	
Rank	Days
Senior Manager	1.47
Manager	4.18
Deputy Manager	3.33
Assistant Manager	4.59
Senior Administrative Officer	5.77
Administrative Officer	6.20
Assistant Administrative Officer	7.25
Administration Clerk	5.5
Messenger/Cleaner	2.62

One incidence of injury was reported while on duty or in the working environment. Six employees died during the period under review.

Collective agreements and labour relations

No collective agreements were entered into during the period under review.

Disciplinary steps

During the period under review, there was no misconduct that required disciplinary steps to be taken against any employee.

HIV/Aids and programmes promoting health

The Electoral Commission endeavours to promote HIV/Aids awareness in the workplace. As part of its social responsibility programme, the Commission has entered into partnerships

with a number of institutions working on HIV/Aids-related initiatives. It also developed a policy for supporting staff members who suffer from chronic diseases.

Information technology (IT)

The Electoral Commission uses IT and Geographic Information Systems (GIS) to improve and support the delivery of elections in South Africa at all levels of government. It also played a role on the international front (in the DRC and Zambia) in ensuring that the IEC's electoral assistance programme is exemplary in the world community of nations.

Local IT activities

Back home, support is provided to the entire organisation throughout the year in the form of a number of services, processes and procedures. During the period under review, the IT division offered stable and consistent infrastructure at



head office, at the nine provincial offices and at over 237 MEO offices around the country. The network capacity was resized following the completion of the local government elections and initial work was done to lay the foundation in preparation for the 2009 elections. The division reviewed its risk management procedures, disaster recovery and business continuity processes to ensure readiness for any eventuality, and expanded security procedures and anti-virus procedures to limit or eliminate the risk of unauthorised access to the Commission's network and information. Finally, an upgrade of the service desk (help desk) support systems took place to ensure effective tracking and management of incidents and to monitor service levels and performance.

The following support was provided for all business application systems:

- Stable application systems to support and enable all electoral and financial business processes
- Enhancements to applications in accordance with the requirements stated by the various business owners
- Support of all applications in terms of training, troubleshooting and general assistance
- GIS with greatly enhanced spatial data sets for the voters' roll, delimitation, spatial reporting and general support to the organisation
- Web-based mapping to disseminate spatial information to the organisation

A number of services were also made available to the public. The IT team continued to maintain the web-based facilities (providing information on whether voters are registered and where they should vote), but also provided a comprehensive repository of election information on processes, procedures and election results. It also maintained the SMS facility using mobile technology – a system using mobile cellphone facilities to verify voter registration status.

Preparations for the next elections in 2009

The period to the next election is reduced to almost three years, requiring immediate attention to all plans to make major infrastructural upgrades and adjustments. As soon as the rollback for the last local government elections was completed, a major review was launched to assess the readiness and capacity of the Commission's current IT infrastructure to provide a stable platform to support the next national and provincial elections in 2009.

The review was informed by the availability of supporting technology, product life cycles, and user requirements from election debriefing sessions.

The process was underpinned by a need to improve services, the functionality of application systems and ensuring that the IT platform is backed by a stable and supportable set of technologies.

All these services are underpinned by sound business and management principles in utilising appropriate technologies, technically skilled human resources, well-defined service level agreements and taking advantage of all relevant available technologies to best serve the Commission's goals and vision. They are further supported by an IT architecture that is stable, well defined, standardised and well managed, which, in turn, ensures performance stability, flexibility, consistency and predictability at all times.

Corporate services

During the period under review, appropriate office accommodation was secured, with lease agreements in place and renewed as was required to enable employees to perform their daily responsibilities in a secure working environment. All legislation, such as the Occupational Health and Safety Act, 1993 (Act No 85 of 1993), was adhered to. Efficient transport, travel and courier services were rendered in compliance with organisational requirements.

Nineteen incidents were recorded involving Electoral Commission vehicles.

All documented information was effectively managed and filed in compliance with the relevant legislation, namely the National Archives and Record Service of South Africa Act, 1996 (Act No 43 of 1996), Promotion of Access to Information Act, 2000 (Act No 2 of 2000) and the Electronic Communications and Transactions Act, 2002 (Act No 25 of 2002). A library on elections and support functions for staff has approximately 10 000 books and publications in hard copy and electronic format.

The security function and related services were outsourced, and only five incidents of burglary occurred at Electoral Commission sites during the period under review. It was mainly office equipment that was removed from the affected premises. The total rand value of the stolen office equipment was approximately R150 000.

Communication

During the period under review, communication activities were limited to campaigns to profile the work of the Electoral Commission, as well as participation in specific campaigns focusing on commemorative holidays.

As part of the process of assisting with elections in the DRC, the Communication Department compiled, designed and printed communication and educational material that was translated into the four major languages spoken in that country. Four million flyers were printed.

Advertising

The Electoral Commission's advertising activities during the period under review related mainly to the areas where by-elections were held. In such areas, the by-election process involved collaborations with community-based media.

A radio advertisement was produced in all eleven official languages to commemorate Women's Day. It was aired for four days on all public broadcast and commercial radio stations.

In order to target young people, the Electoral Commission placed advertisements in official publications and free study guides for Grade 12 learners, in addition to several advertorials and promotional articles in youth-based publications.

Pamphlets and flyers

The Electoral Commission printed a limited number of pamphlets and flyers to promote the work of the institution in the period under review. A total of 25 000 corporate pamphlets were printed, while 63 000 flyers were printed in all the official languages for Women's Day to commemorate the 50th anniversary of the Women's March to the Union Buildings.



3.7 OFFERING THE HIGHEST POSSIBLE STANDARD OF TRAINING TO OFFICIALS TO FACILITATE A FLUENT AND EFFECTIVE VOTING PROCESS AND THE ACCURATE RECORDING OF THE RESULTS OF ELECTIONS

Training of registration and election officers

The training of officers for the 2006 municipal elections was divided between two events: the registration of voters and the election itself. In line with the Electoral Commission's mandate and vision, the strategic intent of the organisation's learning blueprint for the 2006 elections was to develop a structured approach and learning tools that would facilitate the effective delivery of learning and support to all stakeholders in order to ensure competence and confidence in delivering successful free and fair elections. There was a major shift in training focus from number-chasing to the evaluation and assessment of training and learning.

The IEC training concept for the 2006 municipal elections was based on its training experience since 1994, international best practices and the national skills development strategy.

The Electoral Commission recognised that its work is of a highly specialised nature and that all learning in this regard is worthy of recognition as a unique body of knowledge. The Centre for Elections Learning was consequently launched on 26 July 2005, with the vision "to create internationally

qualified election administrators who are an asset to the nation, to the continent and to the world." The first goal of the centre was to deliver credible free and fair municipal elections in 2006.

For the period under review, the IEC has attained the following milestones:

- A learning model made up of five levels: onboarding, self-directed learning (e-learning), instructor-led training (boot camps), on-the-job-training, and evaluation and certification
- A certified and registered curriculum
- Well-trained and competent trainers
- Effective and user-friendly training materials
- A set of performance measures

The Commission decided to invest in its own staff – mainly electoral project coordinators and area project coordinators (APCs). In view of the sizes and varied needs of the nine provinces, close to 350 trainers were needed to train more than 37 000 presiding and deputy presiding officers. The idea to invest in internal capacity was born out of the need to build an internal pool of trainers who could regularly be commissioned to fulfil training needs at different levels in the organisation.

The following are major innovations of this approach:

- Acknowledging experience of elections management as a specific skill
- Tapping into past experience to define the detailed registration and election processes
- Using technology for mass learning (e-learning)
- The boot camp approach, which served as a major reinforcement, as well as a passion-building and highly informative event
- Assessing trainers over time (developing systematic portfolios of evidence)
- Performance-driven training (applying predetermined performance measures) via the Centre for Elections Learning

The overall assessment of this new training model is that it is a major improvement on previous models for past elections. The overall performance of presiding officers during the voting and the counting processes, as well as the time taken to count ballots and then process and announce the results, reflected a significant improvement on previous performances.

SECTION 4



SOUTH AFRICA

REPORT OF THE AUDIT COMMITTEE

FOR THE FINANCIAL YEAR ENDED

31 MARCH 2007

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

We are pleased to present our report for the financial year ended 31 March 2007.

1. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

Name of Member	Number of Meetings Attended
Mr. J. Maqubela (Chairperson)	3
Ms. K.E. Moloto-Stofile	2
Mr. J. F.J. Scheepers	3

2. AUDIT COMMITTEE RESPONSIBILITY

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

3. THE EFFECTIVENESS OF INTERNAL CONTROL

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and management letter of the Auditor-General, it was noted that no significant or material non-compliance with prescribed policies and procedures have been reported. Accordingly, we can report that the systems of internal control for the period under review were effective and efficient.

4. QUALITY OF IN YEAR MANAGEMENT

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

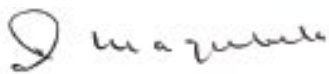
5. EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Audit Committee has

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

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

The Audit Committee 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.



Chairperson of the Audit Committee

Date: 27 July 2007

SECTION 5



SOUTH AFRICA

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE ELECTORAL COMMISSION FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Electoral Commission which comprise the statement of financial position as at 31 March 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 76.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of General Accepted Accounting Practice (GAAP) including any interpretations of such statements issued by the Accounting Practice Board, with the effective Standards of General Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent statements of GAAP and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 13(3) of the Electoral Act, 1996 (Act No. 51 of 1996), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 647 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

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

Basis of accounting

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

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Electoral Commission as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury of South Africa, as set out in the accounting policy note I and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

9. Internal control

Transactions and other significant events were not properly classified and promptly recorded as indicated in paragraph 10.

-
10. Material corrections made to the financial statements submitted for auditing.
The financial statements, approved by the accounting officer as submitted for auditing on 31 May 2007, have been significantly revised in respect of the following misstatements identified during the audit:
- Property, plant and equipment, excluding the amount of R8,4 million transferred to intangible assets, were understated by R7,1 million
 - Invalid prepayments of R1 million were included in the financial statements
 - Provisions were overstated by R3,7 million
 - Accounts receivable were overstated by R1 million
 - Software purchased for R8,4 million was incorrectly classified as part of tangible assets with an indefinite useful life.
11. Material non-compliance with the PFMA:
The Electoral Commission did not obtain the National Treasury's approval to insure movable assets for a premium of greater than R250 000. The premium paid amounted to R437 582 in terms of Regulation 12.1.
12. General controls in the information technology environment
The information systems audit was completed in June 2007.
The most significant weaknesses identified were the following:
- The security policy, user account management procedures and network security management policies and practices for the information and communication technology (ICT) environment had not been approved and communicated to users to prevent the integrity, availability and confidentiality of data from being compromised.
 - The disaster recovery plan (DRP) and the business continuity plan had not been approved and were not in all instances complete. The DRP had furthermore not been tested during the period under review to ensure that key business processes would be promptly recovered after a disastrous event.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

13. I have audited the performance information as set out on pages 16 to 39.

Responsibilities of the accounting officer

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

Responsibility of the Auditor-General

15. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 29919 of 25 May 2007*.

16. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

Content of strategic plan

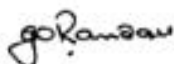
18. The strategic plan of the Electoral Commission did not include the measurable objectives and targets of the commission's programmes as required by Treasury Regulation, chapter 5, section 5.2.3(d)

Objectives reported in the annual report not measurable

19. The format and presentation of the performance information in the annual report does not provide users with information to assess that the commission is comparing and monitoring its performance against its objectives.

APPRECIATION

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



G O Randall for Auditor-General

Pretoria

31/07/2007



SECTION 6



SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2007

STATEMENT OF FINANCIAL POSITION

as at 31 March 2007

	Notes	2007 R	2006 R
ASSETS			
Non-current assets			
Property, plant and equipment	1	59 201 219	77 799 098
Intangible Assets	2	8 357 011	-
		<u>67 558 230</u>	<u>77 799 098</u>
Current assets			
Inventories	3	847 982	909 045
Trade and other receivables	4	16 162 128	9 684 108
Prepayments and advances		254 243	198 285
Cash and cash equivalents	5	174 355 160	215 015 772
		<u>191 619 513</u>	<u>225 807 210</u>
Total assets		<u>259 177 743</u>	<u>303 606 308</u>
LIABILITIES			
Non-current liabilities			
Deferred income	6	650 200	1 310 531
Non-interest bearing	7	633 621	1 250 056
		<u>1 283 821</u>	<u>2 560 587</u>
Current liabilities			
Trade and other payables	8	37 174 579	116 833 550
Current portion of provisions	9	10 721 857	10 090 941
Current portion of deferred income	6	660 331	660 331
Foreign and local aid assistance	10	11 773 904	14 202 106
		<u>60 330 671</u>	<u>141 786 928</u>
Total liabilities		<u>61 614 492</u>	<u>144 347 515</u>
NET ASSETS		<u>197 563 251</u>	<u>159 258 793</u>
Reserve			
Accumulated surplus		<u>197 563 251</u>	<u>159 258 793</u>
Total net assets		<u>197 563 251</u>	<u>159 258 793</u>

J.P. Makula.

ADV FDP TLAKULA
CHIEF ELECTORAL OFFICER

27 July 2007

DATE

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007

	Notes	2007 R	2006 R
Revenue	11	495 573 286	967 571 216
Operating expenditure		<u>(457 268 828)</u>	<u>(926 448 427)</u>
Operating surplus	12	38 304 458	41 122 789
Finance costs	13	<u>-</u>	<u>(38 082)</u>
Surplus for the year		<u>38 304 458</u>	<u>41 084 707</u>

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2007

	Notes	Unutilised surplus R
Balance at 31 March 2005 as previously reported		1 13 793 945
- AC 123 asset adjustment	I	<u>4 380 141</u>
Restated balance at 31 March 2005		1 18 174 086
Surplus for the year restated		41 084 707
Surplus for the year as previously stated		41 201 646
- AC 123 asset adjustment	I	<u>(116 939)</u>
Restated balance at 31 March 2006		159 258 793
Surplus for the year		<u>38 304 458</u>
Balance at 31 March 2007		<u>197 563 251</u>

CASH FLOW STATEMENT
for the year ended 31 March 2007

	Notes	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		473 845 315	955 671 872
Cash paid to suppliers and employees		(518 151 274)	(810 067 029)
Cash (utilised by)/generated from operations	14.1	(44 305 959)	145 604 843
Interest received		15 255 057	18 516 664
Interest paid		-	(38 082)
Net cash (outflow)/inflow from operating activities		(29 050 902)	164 083 425
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3 395 357)	(9 537 827)
Purchase of intangible assets		(8 357 011)	-
Proceeds on disposal of property, plant and equipment		142 658	417 612
Net cash outflow from investing activities		(11 609 710)	(9 120 215)
Net (decrease)/increase in cash and cash equivalents		(40 660 612)	154 963 210
Cash and cash equivalents at beginning of year		215 015 772	60 052 562
Cash and cash equivalents at end of year	5	<u>174 355 160</u>	<u>215 015 772</u>

ACCOUNTING POLICIES

for the year ended 31 March 2007

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

I. Basis of preparation

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

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

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

a) Terminology differences:

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

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

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

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

d) Amount and nature of any restrictions on cash balances is required.

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

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

Financial statements have been prepared on the historical cost basis except where stated otherwise.

2. Revenue

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

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

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer.

Interest income is accrued on a time proportionate basis using the effective interest rate implicit in the instrument.

Sponsorship revenue is recognised in the year of receipt.

3. Foreign currencies

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

4. Property, Plant and Equipment

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

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

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

Depreciation commences when the assets are available for their intended use. The depreciation expense is recognised through the statement of financial performance. Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the various classes of assets, after taking into account residual values. Useful lives of property, plant and equipment, the depreciation method and residual values are reviewed on an annual basis. A change resulting from the review is treated as a change in accounting estimate.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year it is derecognised.

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

Computer equipment	3 - 10 years
Scanners	10 years
Office machines and equipment	10 years
Cellphones	3 years
Furniture and fittings	10 - 15 years
Motor vehicles	7 years
Appliances	10 years
Pre-fabricated buildings	10 years

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

5. Intangible assets

Internally generated intangible assets

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

Other intangible assets

Other intangible assets are initially recognised at cost, being the cash price equivalent at the recognition date. The cost of an asset comprises any cost incurred in bringing the asset to the location and condition necessary for it to operate as intended by management. Intangible assets are amortised over a period of eight years.

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

Maintenance fees are charged to 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 derecognition of the asset is included in the statement of financial performance in the year it is derecognised.

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

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

6. Operating lease

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

7. Inventories

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

Cost is determined on the following bases:

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

8. Financial instruments

Recognition

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

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

Measurement

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

Financial assets

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

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

- Trade and other receivables

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

- Cash and cash equivalents

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

Financial liabilities

The Commission's principal financial liabilities are trade payables.

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

- Trade and other payables

Trade and other payables are stated at amortised cost.

De-recognition

Financial assets

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

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

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

Financial liabilities

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

9. Provisions

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

10. Contingent liabilities

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

11. Employee benefits

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

12. Cash and cash equivalents

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

13. Deferred income

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

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

14. Foreign and local aid assistance

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

15. Critical accounting estimates and judgements

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

Provision for doubtful debts is made for all debtors submitted for collection to the legal department.

16. Related parties

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

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

17. Change in accounting policy

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

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.

ACCOUNTING POLICIES

for the year ended 31 March 2007 (continued)

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.

18. Comparative figures

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year. The Government allocation for the DRC and similar projects is accounted for and now recognised as expenditure and income recognised to the value of expenditure recognised.

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

Effect on 2006	R
Increase in Income	2 731 204
Increase in Expenses	2 731 204
Effect on 2007	
Increase in Income	127 432 061
Increase in Expenses	127 432 061

These amounts were previously reflected in Foreign and local aid assistance. The change is a result of a change in Treasury Regulations and a change in accounting policy on government grants.

ACCOUNTING POLICIES
for the year ended 31 March 2007 (continued)

19. New accounting standards

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

GRAP standards approved by the ASB but not yet effective:

- GRAP 12 - Inventories
- GRAP 13 - Leases
- GRAP 17 - Property, Plant and Equipment

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

Public sector specific IPSAS issued by the IPSASB:

- IPSAS 22 - Disclosure of financial information about the General Government Sector
- IPSAS 24 - Presentation of budget information in Financial Statements

Applicability and implementation of these standards are not expected to change the accounting for any of the Commission's current arrangements.

IFRS and IFRIC interpretations	Effective for year end beginning after:
IFRS 7 - Financial Instrument and Disclosures	01/01/2007
IFRIC 8 - Scope of IFRS 2 (Share-based payment)	01/05/2006
IFRIC 9 - Reassessment of Embedded Derivatives	01/06/2006
IFRIC 10 - Interim Financial Reporting and Impairment	01/11/2006
IFRIC 11 - Group and Treasury Share Transactions	01/03/2007
IFRIC 12 - Service Concession Agreements	01/01/2008

Applicability and implementation of these standards are not expected to change the accounting for any of the Commission's current arrangements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007

I. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2007

	Computer equipment	Scanners	Office ma- chines and equipment	Cell- phones	Furniture and fittings	Motor vehicles	Appliances	Artwork	Prefab- ricated buildings	Total
	R	R	R	R	R	R	R	R	R	R
Opening net book amount	32 055 236	21 916 469	8 274 386	212	8 495 622	6 045 278	281 548	363 720	366 627	77 799 098
- additions during year	809 102	198 749	1 471 435	1	508 378	290 045	60 980	56 667	-	3 395 357
- disposals during year	(86 694)	-	(243 407)	-	(4 578)	(42 480)	(124)	-	-	(377 283)
- depreciation charge for the year	(8 933 789)	(8 546 923)	(1 700 410)	-	(1 042 814)	(1 269 388)	(57 245)	-	(65 384)	(21 615 953)
Closing net book amount	23 843 855	13 568 295	7 802 004	213	7 956 608	5 023 455	285 159	420 387	301 243	59 201 219

At 31 March 2007

Cost

- opening cost	78 469 591	85 516 695	15 077 085	35 848	16 027 325	9 356 733	581 156	363 720	654 388	206 082 541
- additions during the year	809 102	198 749	1 471 435	1	508 378	290 045	60 980	56 667	-	3 395 357
- disposals/write-off during the year	(522 981)	-	(586 364)	-	(19 939)	(232 562)	(3 108)	-	-	(1 364 954)
	78 755 712	85 715 444	15 962 156	35 849	16 515 764	9 414 216	639 028	420 387	654 388	208 112 944

Accumulated depreciation

- opening balance	(46 414 355)	(63 600 226)	(6 802 699)	(35 636)	(7 531 703)	(3 311 455)	(299 608)	-	(287 761)	(128 283 443)
- disposals/write-off during the year	436 287	-	342 957	-	15 361	190 082	2 984	-	-	987 671
- charge current year	(8 933 789)	(8 546 923)	(1 700 410)	-	(1 042 814)	(1 269 388)	(57 245)	-	(65 384)	(21 615 953)
	(54 911 857)	(72 147 149)	(8 160 152)	(35 636)	(8 559 156)	(4 390 761)	(353 869)	-	(353 145)	(148 911 725)
Net book value	23 843 855	13 568 295	7 802 004	213	7 956 608	5 023 455	285 159	420 387	301 243	59 201 219

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

I. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2006

Opening net book amount as

previously stated

- additions during year

- disposals during year

- depreciation charge for the year

Closing net book amount

At 31 March 2006

Cost

- opening cost as previously stated

- AC 123 adjustment

- opening balance restated

- additions during the year as

previously stated

- AC 123 adjustment

- additions during the year restated

- disposals/write-off during the year

Accumulated depreciation

- opening balance as previously stated

- AC 123 adjustment

- opening balance restated

- disposals/write-off during the year

- charge current year as previously

stated

- AC 123 adjustment

- current year charge restated

Net book value

	Computer equipment		Scanners		Office machines and equipment		Cell-phones		Furniture and fittings		Motor vehicles		Appliances		Artwork		Prefabricated buildings		Total			
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R		
Year ended 31 March 2006																						
Opening net book amount as previously stated	37 224 200	30 152 927	8 052 807	397	8 862 173	7 157 497	307 503	358 609	428 496	92 544 609												
- additions during year	5 396 653	285 468	1 937 849	45	808 261	1 055 009	46 211	5 111	3 220	9 537 827												
- disposals during year	(108 140)	(19)	(18 665)	(230)	(6 524)	(319 947)	(3)	-	-	(453 528)												
- depreciation charge for the year	(10 457 477)	(8 521 907)	(1 697 605)	-	(1 168 288)	(1 847 281)	(72 163)	-	(65 089)	(23 829 810)												
Closing net book amount	32 055 236	21 916 469	8 274 386	212	8 495 622	6 045 278	281 548	363 720	366 627	77 799 098												
At 31 March 2006																						
Cost																						
- opening cost as previously stated	83 804 139	84 396 889	12 588 994	42 335	11 025 406	8 935 996	529 720	358 609	651 168	202 333 256												
- AC 123 adjustment	386 651	870 307	609 140	-	4 249 830	-	5 491	-	-	6 121 419												
- opening balance restated	84 190 790	85 267 196	13 198 134	42 335	15 275 236	8 935 996	535 211	358 609	651 168	208 454 675												
- additions during the year as previously stated	5 383 899	520	1 914 766	45	746 495	1 055 009	46 211	5 111	3 220	9 155 276												
- AC 123 adjustment	12 754	284 948	23 083	-	61 766	-	-	-	-	382 551												
- additions during the year restated	5 396 653	285 468	1 937 849	45	808 261	1 055 009	46 211	5 111	3 220	9 537 827												
- disposals/write-off during the year	(11 117 852)	(35 969)	(58 898)	(6 532)	(56 172)	(634 272)	(266)	-	-	(11 909 961)												
Accumulated depreciation	78 469 591	85 516 695	15 077 085	35 848	16 027 325	9 356 733	581 156	363 720	654 388	206 082 541												
- opening balance as previously stated	(46 835 392)	(54 984 768)	(4 862 194)	(41 938)	(5 217 215)	(1 778 499)	(226 110)	-	(222 672)	(114 168 788)												
- AC 123 adjustment	(131 198)	(129 501)	(283 133)	-	(1 195 848)	-	(1 598)	-	-	(1 741 278)												
- opening balance restated	(46 966 590)	(55 114 269)	(5 145 327)	(41 938)	(6 413 063)	(1 778 499)	(227 708)	-	(222 672)	(115 910 066)												
- disposals/write-off during the year	11 009 712	35 950	40 233	6 302	49 648	314 325	263	-	-	11 456 433												
- charge current year as previously stated	(10 417 952)	(8 424 863)	(1 620 409)	-	(883 248)	(1 847 281)	(71 478)	-	(65 089)	(23 330 320)												
- AC 123 adjustment	(39 525)	(97 044)	(77 196)	-	(285 040)	-	(685)	-	-	(499 490)												
- current year charge restated	(10 457 477)	(8 521 907)	(1 697 605)	-	(1 168 288)	(1 847 281)	(72 163)	-	(65 089)	(23 829 810)												
Net book value	(46 414 355)	(63 600 226)	(6 802 699)	(35 636)	(7 531 703)	(3 311 455)	(299 608)	-	(287 761)	(128 283 443)												
	32 055 236	21 916 469	8 274 386	212	8 495 622	6 045 278	281 548	363 720	366 627	77 799 098												

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

2. INTANGIBLE ASSETS	2007 R	2006 R
Opening carrying value	-	-
- additions during year	8 357 011	-
- disposals/write-off during year	-	-
- amortisation charge for year	-	-
Closing carrying value	<u>8 357 011</u>	<u>-</u>
At 31 March 2007		
Cost		
- opening cost	-	-
- additions during the year	8 357 011	-
- disposals/write-off during year	-	-
	<u>8 357 011</u>	<u>-</u>
Accumulated amortisation		
- opening balance	-	-
- disposals/write-off during year	-	-
- charge current year	-	-
	<u>8 357 011</u>	<u>-</u>
Net book value	<u>8 357 011</u>	<u>-</u>

2.1 Irregular expenditure

The acquisition of the SAP system for R8 357 011 has not been approved as required by Treasury Regulation 17.3.1. Management is engaging Treasury to obtain this approval.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

	2007	2006
	R	R
3. INVENTORIES		
Consumable stores	593 087	713 296
Promotional items	254 895	195 749
	847 982	909 045
	847 982	909 045
4. TRADE AND OTHER RECEIVABLES		
Trade accounts receivable	39 832	537 497
Deposits	564 147	577 981
Accrued interest	504 158	98 544
Sundry	2 748 186	2 138 796
United Nations Development Programme	8 123 600	-
Department of Foreign Affairs	4 408 895	-
Standard Bank preprinted cheques	-	6 575 917
Less: Provision for irrecoverable debts	(226 690)	(244 627)
	16 162 128	9 684 108
	16 162 128	9 684 108

The impairment of debtors has been determined by reference to past default experience and the current economic environment.

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

	2007	2006
	R	R
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents comprise cash and short-term, highly liquid investments that are held with a registered bank institution with maturities of three months or less and that are subject to insignificant interest rate risk. The carrying amount of these assets approximates to their fair value.		
Bank balances – current accounts	15 051 605	29 226 672
Notice deposits	158 869 002	185 755 994
Petty cash	19 700	33 106
Traveller's cheques on hand	414 853	-
	<u>174 355 160</u>	<u>215 015 772</u>

The notice deposits are carried at an effective floating interest rate that varied between 6,60% and 8,85% (2006: 5,75% and 7,15%).

Included in the above balances are deposits held in trust to the value of R11 773 904 (2006: R14 202 106).

6. DEFERRED INCOME

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

Deferred income	1 310 531	1 970 862
Less: Current portion	(660 331)	(660 331)
	<u>650 200</u>	<u>1 310 531</u>

7. NON-INTEREST BEARING

Straight lining of leases	1 349 621	1 614 375
Less: Current portion	(716 000)	(364 319)
	<u>633 621</u>	<u>1 250 056</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

	2007	2006
	R	R
8. TRADE AND OTHER PAYABLES		
Trade accounts payable	31 486 300	106 938 481
Deposits	272 050	1 587 550
Sundry	3 713 515	6 093 691
Cheques not presented for payment	1 702 714	2 213 828
	37 174 579	116 833 550

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

9. PROVISIONS

	Audit fee	Leave pay	Total
At 31 March 2006	2 711 102	7 379 839	10 090 941
Additional provisions	2 477 460	4 629 651	7 107 111
Unused amounts reversed	-	(3 682 071)	(3 682 071)
Utilised during the year	(2 553 770)	(240 354)	(2 794 124)
Less: Current portion of provision	(2 634 792)	(8 087 065)	(10 721 857)
At 31 March 2007	-	-	-
	Audit fee	Leave pay	Total
At 31 March 2005	2 658 758	11 302 264	13 961 022
Additional provisions	2 597 236	-	2 597 236
Unused amounts reversed	-	(1 390 422)	(1 390 422)
Utilised during the year	(2 544 892)	(2 532 003)	(5 076 895)
Less: Current portion of provision	(2 711 102)	(7 379 839)	(10 090 941)
At 31 March 2006	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007 (continued)

Audit fee

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

Leave pay

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for accrued leave as a result of services rendered by employees up to the statement of financial position date. The balance of the provision will be realised as and when staff take leave.

	2007 R	2006 R
10. FOREIGN AND LOCAL AID ASSISTANCE		
Funds received in respect of the furtherance of democracy:		
- Royal Netherlands Embassy	255 966	680 523
- Government of Ireland	586 447	551 966
- Limpopo Provincial Government-Department of Local Government and Housing	51 263	383 433
- UNDP	-	22 900
- Western Cape Department of Local Government	209 501	294 488
- Department of Foreign Affairs	10 670 727	12 268 796
	<u>11 773 904</u>	<u>14 202 106</u>

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

11. REVENUE

Operating surplus is arrived at after taking the following into account:

Revenue from:	492 691 818	965 525 168
- Parliamentary allocation	350 000 000	944 258 000
- Government allocation (DRC)	127 432 061	2 731 204
- Interest received	15 255 057	18 516 664
- Political party registration fees	4 700	19 300
Income	2 881 468	2 046 048
- Other income	2 881 468	1 346 048
- Sponsorship income		700 000
Revenue and income	<u>495 573 286</u>	<u>967 571 216</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

	2007 R	2006 R
12. OPERATING SURPLUS		
Operating surplus is arrived at after taking the following into account:		
Auditors' remuneration:		
- Audit fees	<u>3 246 980</u>	<u>3 393 242</u>
Foreign exchange loss	<u>9 893</u>	<u>-</u>
Depreciation:		
- Computer equipment and software	8 933 789	10 457 477
- Scanners	8 546 923	8 521 907
- Office machines and equipment	1 700 410	1 697 605
- Furniture and fittings	1 042 814	1 168 288
- Motor vehicles	1 269 388	1 847 281
- Appliances	57 245	72 163
- Prefabricated buildings	65 384	65 089
	<u>21 615 953</u>	<u>23 829 810</u>
Net loss on disposal/scraping of property, plant and equipment:		
- Equipment	231 564	10 530
- Vehicles	(67 519)	(60 053)
- Cellphones	1	(11 893)
- Computer equipment	69 520	101 815
- Furniture	1 772	(3 730)
- Artwork	(27)	(17)
- Scanners	(376)	(501)
- Appliances	(311)	(235)
	<u>234 624</u>	<u>35 916</u>
Rentals in respect of operating leases:		
- Land and buildings	15 750 425	46 618 841
- Equipment	525 621	2 836 175
	<u>16 276 046</u>	<u>49 455 016</u>
Fees for services:		
- Private institutions	60 891 818	216 933 888
- Government institutions	9 929	36 443
- Other	6 742 443	24 283 689
- Computer services – wide area network	30 111 328	28 307 348
- Contracted in (DRC)	8 145 445	686 108
	<u>105 900 963</u>	<u>270 247 476</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

	2007	2006
	R	R
Operating surplus is arrived at after taking the following into account: (continued)		
Staff costs:		
- Wages and salaries	133 615 693	226 330 930
- Remuneration allowances	257 827	641 036
- Gratuities	1 256 875	4 817 416
- Employer contributions	4 520 437	5 985 316
- Relocation costs	5 017	54 873
	<u>139 655 849</u>	<u>237 829 571</u>
13. FINANCE COSTS		
Interest paid	<u>-</u>	<u>38 082</u>
14. NOTES TO THE CASH FLOW STATEMENT		
14.1 Reconciliation of surplus for the year to cash (utilised by)/ generated from operations		
Surplus for the year	38 304 458	41 084 707
Adjustments for:		
- Depreciation on property, plant and equipment	21 615 953	23 829 810
- Deficit on disposal/scrapping of assets	234 624	35 916
- Interest received	(15 255 057)	(18 516 664)
- Interest paid	-	38 082
	<u>44 899 978</u>	<u>46 471 851</u>
Operating surplus before working capital changes		
Working capital changes:	(89 205 937)	99 132 992
- Decrease in inventories	61 062	551 668
- (Increase)/decrease in trade and other receivables and prepayments and advances	(6 533 976)	6 065 652
- (Decrease)/increase in trade and other payables and provisions	(80 304 821)	78 449 469
- (Decrease)/increase in foreign and local aid assistance	(2 428 202)	14 066 203
	<u>(44 305 959)</u>	<u>145 604 843</u>
Cash (utilised by)/generated from operations		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007 (continued)

	2007	2006
	R	R
15. TAXATION		
No provision is made for income taxation, as the Commission is exempt from taxation in terms of legislation.		
16. CONTINGENCIES AND COMMITMENTS		
16.1 Operating commitments		
Payable within the next year:		
- Contractual commitments	28 472 514	31 058 758
- Office rental agreements	11 866 791	9 686 751
- Equipment lease and maintenance	301 366	62 784
Payable later than 1 year and not later than 5 years:		
- Contractual commitments	-	2 515 801
- Office rental agreements	8 820 969	13 533 344
Later than 5 years:	372 193	-
Total future cash flows	49 833 833	56 857 438
Straightlining already accrued in statement of financial position	(1 349 621)	(1 614 375)
Future expenses	48 484 212	55 243 063
16.2 Contingencies not provided for:		
Legal claims	3 074 954	5 610 000

The Electoral Commission has a number of civil litigation claims against it arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

17. RETIREMENT FUNDING

No retirement plans are operated by the Electoral Commission. Employees are however given the option to join a recognised provident fund for which contributions are funded from their own remuneration.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007 (continued)

18. FINANCIAL INSTRUMENTS RISK MANAGEMENT

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

a) Liquidity risk:

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

b) Cash flow:

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

c) Credit risk:

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

d) Fair Value Risk:

Fair value of cash and cash equivalents and other financial assets have been calculated using market interest rates.

e) Interest Rate Risk:

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

	2007	2006
	R	R
19. RELATED PARTY TRANSACTIONS		
19.1 Key management compensation	5 500 121	5 590 678
1. Commissioners	2 880 957	3 103 244
- Salaries	1 951 609	2 140 851
- Short-term employee benefits	929 348	962 393
2. Senior management salaries	2 619 164	2 487 434
19.2 RPPF	408 821	427 431

DETAILED INCOME AND EXPENDITURE STATEMENT
for the year ended 31 March 2007

APPENDIX A

	2007 R	2006 R
INCOME		
Parliamentary allocation	350 000 000	944 258 000
Government allocation (DRC)	127 432 061	2 731 204
Political party registration fees	4 700	19 300
Interest received	15 255 057	18 516 664
Sponsorship income	-	700 000
Other income	2 881 468	1 346 048
Total income	495 573 286	967 571 216
EXPENDITURE		
Personnel expenditure	139 655 849	237 829 571
Salaries	133 615 693	226 330 930
- Permanent staff	71 269 125	67 438 726
- Temporary staff	6 953 151	51 899 141
- Voter education fieldworkers	88 273	19 563 170
- Logistical and other support staff	(109 858)	7 566 328
- By-elections	516 329	444 323
- Targeted registration	(78 160)	7 231 188
- Expansion staff	6 536 567	17 094 132
- MEO agents	55 393 417	106 993 063
Remunerative allowances	257 827	641 036
- Permanent staff	257 827	641 036
- Temporary staff	-	-
Gratuities	1 256 875	4 817 416
- Permanent staff	856 241	2 127 789
- MEO agents	400 634	2 689 627
Employer's contributions	4 520 437	5 985 316
Relocation costs	5 017	54 873

DETAILED INCOME AND EXPENDITURE STATEMENT
for the year ended 31 March 2007 (continued)

APPENDIX A

	2007	2006
	R	R
EXPENDITURE (continued)		
Administrative expenditure	92 201 846	255 074 080
Subsistence expenditure	2 931 966	132 649 078
- Registration staff	(340 800)	58 234 039
- Election staff	(418 075)	69 531 180
- Other	3 690 841	4 883 859
Transport expenditure	9 435 361	47 651 742
- Democracy development and voter education	762 460	726 187
- MEO development and training	6 530 157	28 274 255
- Other	907 655	3 662 903
- Registration and election training	19 774	1 419 412
- Logistics	1 215 315	13 568 985
Air transport	5 093 113	4 691 862
Communication expenditure	9 754 484	20 163 766
Study expenditure	161 236	64 028
Regional council levy	150 495	1 371 253
Advertisements	946 602	2 241 502
Catering expenditure – workshops, training and other	1 151 801	11 446 101
- Democracy development and voter education	506 582	1 207 645
- MEO development and training	587 062	628 067
- Other	29 530	1 023 228
- Registration and election training	28 627	8 587 161
Membership and registration	1 445 897	1 031 647
Insurance	549 232	938 158
Conferences and workshops	9 959 195	30 780 460
- Democracy development and training	6 778 915	5 578 019
- PEO/MEO development and training	2 674 351	2 720 651
- Registration and election training	67 715	19 178 900
- Delimitation	400 830	930 910
- Other	37 384	2 371 980
Relocation costs	3 081	-
Administrative expenses (DRC)	50 619 383	2 044 483

DETAILED INCOME AND EXPENDITURE STATEMENT
for the year ended 31 March 2007 (continued)

APPENDIX A

EXPENDITURE (continued)	2007	2006
	R	R
Printing	72 118 371	77 935 724
Printing and other supplies (DRC)	68 667 301	613
Printing, stationery and other supplies	3 451 070	77 935 111
Purchase of equipment and software	6 014 668	8 617 922
Software licence fees	3 866 575	2 859 958
Electoral equipment	-	2 735 176
Data sets	541 040	-
Other	1 607 053	3 022 788
Rented equipment	525 621	2 836 175
Rental – Land and buildings	15 750 425	46 618 841
IEC offices and warehouses	13 535 637	13 373 196
MEO offices	2 029 620	2 839 064
By-elections	185 168	122 766
Election/registration weekends	-	30 283 815
Professional and other services	109 147 942	273 640 718
Government institutions	9 929	36 443
Computer services – wide area network	30 111 328	28 307 348
Research	-	4 799 182
Maintenance and repairs	4 328 399	9 164 009
Private institutions	60 891 818	216 933 888
Legal costs	1 714 160	2 311 198
Audit costs	3 246 980	3 393 242
Bank charges	689 990	8 009 300
Foreign exchange loss	9 893	-
Contracted in - DRC	8 145 445	686 108
Miscellaneous expenditure	3 530	29 670
Depreciation	21 615 953	23 829 810
Deficit on disposal/scraping of assets	234 624	35 916
Interest paid	-	38 082
Total expenditure	457 268 828	926 486 509
Surplus for the year	38 304 458	41 084 707

DEPARTMENTAL EXPENDITURE STATEMENT
for the year ended 31 March 2007

APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
NATIONAL OFFICE								
ADMINISTRATION								
Electoral Commission	16 074 636	4 176 970	6 746 566	34 819	-	-	5 115 533	748
Commission services	5 215 104	4 120 745	818 213	34 819	-	-	240 684	643
International liaison and fund-raising	10 859 532	56 225	5 928 353	-	-	-	4 874 849	105
Management	11 788 591	5 364 349	610 467	27 426	-	-	5 784 484	1 865
Office of the CEO	3 060 118	2 387 731	430 757	13 725	-	-	227 905	-
Office of the deputy CEO	2 560 704	2 369 400	175 738	13 701	-	-	-	1865
Performance and internal audit	6 167 769	607 218	3 972	-	-	-	5 556 579	-
Financial management	21 382 997	10 070 355	1 634 281	202 083	132 885	-	9 343 276	117
Budget, party funding and compliance verification	3 400 973	7 982	130 320	15 691	-	-	3 246 980	-
Financial administration	10 883 056	7 043 552	97 023	129 449	132 885	-	3 480 030	117
Procurement and asset management	7 098 968	3 018 821	1 406 938	56 943	-	-	2 616 266	-
Human resources and corporate services	30 520 967	11 819 486	4 095 413	1 144 202	441 947	4 313 279	8 706 640	-
Communication services	2 671 925	326 075	122 119	599 467	-	-	1 624 264	-
Human resources	10 072 520	7 447 424	1 943 768	32 004	-	-	649 324	-
Support services	17 776 522	4 045 987	2 029 526	512 731	441 947	4 313 279	6 433 052	-
Total for national office: Administration	79 767 191	31 431 160	13 086 727	1 408 530	574 832	4 313 279	28 949 933	2 730

DEPARTMENTAL EXPENDITURE STATEMENT
for the year ended 31 March 2007 (continued)

APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
NATIONAL OFFICE								
OPERATIONS								
Logistics and MEO development	85 511 603	62 957 939	14 176 630	503 288	54 228	5 616 143	2 203 375	-
Logistics	10 717 420	4 039 784	1 693 922	79 333	36 928	3 634 677	1 232 776	-
Establishment of MEO offices	75 960 239	58 909 700	12 481 936	450 152	17 218	3 228 172	873 061	-
Voting station infrastructure	(1 166 056)	8 455	772	(26 197)	82	(1 246 706)	97 538	-
Information technology	76 885 559	4 862 664	165 691	166 500	5 757 294	-	65 933 410	-
Business systems	5 387 849	-	42 906	69 829	541 040	-	4 734 074	-
Information technology operations	71 497 710	4 862 664	122 785	96 671	5 216 254	-	61 199 336	-
Voting and electoral democracy development	143 222 688	4 442 836	58 062 711	69 502 640	116 708	185 100	10 911 893	800
By-elections	1 345 564	745 114	365 547	33 243	-	183 276	18 384	-
Electoral democracy development and education	8 221 865	136 934	6 403 994	687 318	-	-	992 819	800
DRC project expenses	127 432 061	-	50 619 380	68 667 236	-	-	8 145 445	-
Legal services	1 841 270	-	89 145	37 965	-	-	1 714 160	-
Political party liaison	345 156	7 167	308 892	25 574	-	-	3 523	-
Voting and results	4 036 772	3 553 621	275 753	51 304	116 708	1 824	37 562	-
Voters' roll and delimitation	6 576 242	5 482 629	801 268	44 697	-	-	247 648	-
Delimitation	2 305 524	2 202 980	96 358	6 186	-	-	-	-
Voters' roll and registration	4 270 718	3 279 649	704 910	38 511	-	-	247 648	-
Total for national office:	312 196 092	77 746 068	73 206 300	70 217 125	5 928 230	5 801 243	79 296 326	800
Operations								

DEPARTMENTAL EXPENDITURE STATEMENT
for the year ended 31 March 2007 (continued)

APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
REGIONAL OFFICES								
Eastern Cape	5 927 601	4 268 760	1 144 656	50 382	-	372 250	91 553	-
Free State	4 242 880	2 864 594	456 969	36 310	-	825 589	59 418	-
Gauteng	4 848 829	3 287 436	467 366	49 321	-	971 734	72 972	-
KwaZulu-Natal	5 740 250	4 092 707	761 146	79 659	-	675 769	130 969	-
Mpumalanga	3 929 446	2 689 219	539 647	13 125	-	624 200	63 255	-
Northern Cape	4 658 651	3 369 543	484 531	42 583	5 301	590 006	166 687	-
Limpopo	4 522 830	3 295 899	619 646	50 355	-	508 766	48 164	-
North West	4 661 547	3 082 782	932 910	105 797	1 008	360 677	178 373	-
Western Cape	4 922 934	3 527 681	501 948	65 184	30 917	706 912	90 292	-
Total for regional offices:	43 454 968	30 478 621	5 908 819	492 716	37 226	5 635 903	901 683	-
Departmental expenditure	435 418 251	139 655 849	92 201 846	72 118 371	6 540 288	15 750 425	109 147 942	3 530
Depreciation	21 615 953							
Profit on disposal/scraping of property, plant and equipment	234 624							
Interest paid	-							
Total expenditure	457 268 828							
Total income	495 573 286							
Surplus for the year	38 304 458							
Unutilised surplus at 31 March 2006	159 258 793							
Unutilised surplus at 31 March 2007	197 563 251							

DEPARTMENTAL EXPENDITURE STATEMENT
for the year ended 31 March 2006

APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
NATIONAL OFFICE								
ADMINISTRATION								
Electoral Commission	6 521 558	4 612 440	1 709 122	155 795	-	-	39 203	4 998
Commission services	5 363 378	4 611 111	703 462	22 415	-	-	21 392	4 998
International liaison and fundraising	1 158 180	1 329	1 005 660	133 380	-	-	17 811	-
Management	11 920 154	4 666 763	598 798	37 448	-	-	6 617 145	-
Office of the CEO	6 521 887	2 085 112	396 290	12 676	-	-	4 027 809	-
Office of the deputy CEO	2 272 865	2 095 864	155 295	21 706	-	-	-	-
Performance and internal audit	3 125 402	485 787	47 213	3 066	-	-	2 589 336	-
Financial management	22 075 650	9 429 059	1 053 989	450 638	390 531	-	10 727 111	24 322
Budget, party funding and compliance verification	3 502 501	13 509	78 063	160 457	-	-	3 250 472	-
Financial administration	14 245 567	6 768 986	99 482	221 597	390 531	-	6 740 649	24 322
Procurement and asset management	4 327 582	2 646 564	876 444	68 584	-	-	735 990	-
Human resources and corporate services	279 868 249	32 453 911	139 431 834	11 705 019	494 581	4 074 993	91 707 911	-
Communication services	96 321 916	2 619 927	3 792 015	10 927 464	-	-	78 982 510	-
Human resources	163 080 953	25 746 988	131 135 171	151 040	-	1 000	6 046 754	-
Support services	20 465 380	4 086 996	4 504 648	626 515	494 581	4 073 993	6 678 647	-
Total for national office:	320 385 611	51 162 173	142 793 743	12 348 900	885 112	4 074 993	109 091 370	29 320
Administration								

DEPARTMENTAL EXPENDITURE STATEMENT
for the year ended 31 March 2006 (continued)

APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rentals R	Professional and other services R	Miscellaneous expenditure R
NATIONAL OFFICE								
OPERATIONS								
Logistics and MEO development	315 767 075	120 156 355	66 385 109	49 155 793	2 819 219	36 968 684	40 281 915	-
Logistics	107 611 145	6 327 487	14 878 233	46 818 084	2 764 671	3 919 185	32 903 485	-
Establishment of MEO offices	165 694 108	113 783 692	43 327 214	1 460 421	3 734	2 839 064	4 279 983	-
Voting station infrastructure	42 461 822	45 176	8 179 662	877 288	50 814	30 210 435	3 098 447	-
Information technology	97 113 072	4 494 297	661 870	768 097	7 058 097	-	84 130 711	-
Business systems	7 920 808	7 590	107 646	235 675	51 300	-	7 518 597	-
Information technology operations	89 192 264	4 486 707	554 224	532 422	7 006 797	-	76 612 114	-
Voting and electoral democracy development	108 531 730	25 875 942	29 911 552	13 694 404	668 135	195 146	38 186 201	350
By-elections	719 116	444 751	134 401	8 701	(5 942)	122 766	14 439	-
Electoral democracy development and education	40 044 649	19 680 293	8 769 923	9 115 780	-	-	2 478 653	-
Electoral legislation and research	3 589	-	3 589	-	-	-	-	-
Legal services	3 874 030	-	234 700	1 185 362	-	-	2 453 968	-
Political party liaison	2 950 629	-	1 590 060	92 851	1 733	-	1 265 985	-
Voting and results	60 939 717	5 750 898	19 178 879	3 291 710	672 344	72 380	31 973 156	350
Voters' roll and delimitation	12 428 487	7 077 631	4 542 092	704 816	-	-	103 948	-
Delimitation	3 797 116	2 387 870	1 337 807	58 788	-	-	12 651	-
Voters' roll and registration	8 631 371	4 689 761	3 204 285	646 028	-	-	91 297	-
DRC Project expenses	2 731 204	-	2 044 483	613	-	-	686 108	-
Total for national office:	536 571 568	157 604 225	103 545 106	64 323 724	10 545 451	37 163 830	163 388 883	350
Operations								

DEPARTMENTAL EXPENDITURE STATEMENT
for the year ended 31 March 2006 (continued)

APPENDIX B

	Total expenditure R	Personnel expenditure R	Administrative expenditure R	Consumables R	Equipment R	Land and building rent- als R	Professional and other services R	Miscellaneous expenditure R
REGIONAL OFFICES								
Eastern Cape	6 108 313	4 030 581	1 529 303	128 938	-	319 315	100 176	-
Free State	4 898 896	3 028 098	636 495	136 445	-	707 820	390 038	-
Gauteng	5 191 730	3 215 710	719 293	133 532	-	1 036 112	87 083	-
KwaZulu-Natal	6 766 924	4 345 604	1 427 842	140 660	3 078	775 472	74 268	-
Mpumalanga	4 397 418	2 867 121	819 135	91 158	-	508 717	111 287	-
Northern Cape	4 379 618	2 794 165	919 288	74 938	-	536 592	54 635	-
Northern Province	4 400 919	2 950 876	816 265	130 038	-	447 258	56 482	-
North West Province	4 264 750	2 558 999	1 000 802	240 644	-	366 638	97 667	-
Western Cape	5 216 953	3 272 019	866 807	186 748	20 456	682 093	188 830	-
Total for regional offices:	45 625 522	29 063 173	8 735 230	1 263 101	23 534	5 380 017	1 160 466	-
Departmental expenditure	902 582 701	237 829 571	255 074 079	77 935 724	11 454 097	46 618 841	273 640 718	29 670
Depreciation	23 829 810							
Deficit on disposal/scrapping of property, plant and equipment	35 916							
Interest paid	38 082							
Total expenditure	926 486 509							
Total income	967 571 216							
Surplus for the year	41 084 707							
Unutilised surplus at 31 March 2006	118 174 086							
Unutilised surplus at 31 March 2006	159 258 793							

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