

**ELECTORAL COMMISSION
OF
SOUTH AFRICA**



1999

**REPORT TO THE NATIONAL ASSEMBLY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 1999**

ELECTORAL COMMISSION
OF
SOUTH AFRICA



REPORT TO THE NATIONAL ASSEMBLY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 1999

THE MINISTER FOR HOME AFFAIRS

The Electoral Commissions Report and Audited Financial Statements for the financial year that ended on 31 March 1999 are hereby conveyed to you for formal submission to The National Assembly as required by section 14(1) of the Electoral Commission Act, 1996.


Chairperson

Date: 2001/05/07


Acting Chief Electoral Officer

Date: 2001/05/07

ELECTORAL COMMISSION

**ANNUAL REPORT TO THE NATIONAL ASSEMBLY
IN TERMS OF SECTION 14 OF THE ELECTORAL COMMISSION ACT, 1996**

CONTENTS

	Page
❑ COMMISSION REPORT	1 – 4
❑ REPORT OF THE AUDITOR - GENERAL	5 – 8
❑ BALANCE SHEET	9
❑ INCOME STATEMENT	10
❑ CASH FLOW STATEMENT	11
❑ NOTES TO THE ANNUAL FINANCIAL STATEMENTS	12 - 22
❑ DETAILED INCOME AND EXPENDITURE STATEMENT	APPENDIX A
❑ DEPARTMENTAL EXPENDITURE STATEMENT	APPENDIX B





COMMISSION

REPORT

COMMISSION REPORT **for the year ended 31 March 1999**

1. Nature of the Report

Section 14(1) of the Electoral Commission Act, 1996 reads as follows:

“The Commission shall annually, as soon as possible after the end of each financial year, submit to the National Assembly an audited report of all money received from other sources as contemplated in section 13(1), as well as the audited statement on income and expenditure and a report in regard to the functions, activities and affairs of the Commission in respect of such financial year.”

2. Functions, Activities and Affairs

2.1 The Commission could not submit this report before its annual financial statements for the year ended 31 March 1999 had been audited. These were not available at the time when the Commission was preparing its report on the 1999 National and Provincial Elections. The bulk of the planning and preparations for those elections took place during the 1998/1999 financial year, including the delimitation of voting districts, the registration of voters and the establishment of a national common voters' roll. The Commission therefore decided to include a report on its functions, activities and affairs for the year ended 31 March 1999 in its report on those elections.

2.2 The Report on the National and Provincial Elections of June 1999 should therefore be read as an integral part of this report.

3. Monies received from other sources

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



COMMISSION REPORT (continued)
for the year ended 31 March 1999

4. Audited Financial Statements on Income and Expenditure

The following audited financial statements accompany this report:

Balance sheet
Income statement
Cash flow statement
Notes to the Financial Statement
Detailed income and expenditure statement
Departmental expenditure statement

5. Auditor-Generals Report

- 5.1** The Auditor-Generals Report on the Financial Statements is also attached.
- 5.2** The Commission expresses its appreciation to the Auditor-General for the thorough and fair manner in which the audit was done and reported on.
- 5.3** By way of explanation, the following comments are submitted in respect of some paragraphs in the Auditor-General's report.

5.3.1 Ad paragraph 2.2.1 and 2.2.2

The taking over of R40 million from the "old" Independent Electoral Commission was accounted for and declared up front in our financial statements, reports and returns and was committed and spent in terms of the accrual basis in the 1998/1999 financial year. In September 1998 the Treasury was formally asked for approval for the transfer of surplus funds in the account of the old Independent Electoral Commission to the new Electoral Commission. In November 1998, when additional funds to the initial R500 million voted for the Commission, were made available, the Commission's understanding was that the R40 million formed part of an additional allocation of R140 million. Furthermore, although the formal request for approval of the transfer was never formally granted (in writing) it was also not formally refused (in writing). This fact confirmed the Commission's understanding of the amount of the additional allocation.



5.3.2 Ad paragraph 3.1

The suspected irregular transactions were discovered and reported to the Auditor-General by the Commission. In three cases civil and criminal proceedings have since been instituted. Criminal investigations have been instituted in other cases.

5.3.3 Ad paragraph 3.3

The transaction was accounted for in accordance with the generally accepted accounting practice, the accounting policies of the Commission and the lease agreement. The lease agreement has no provision for the Commission to be compensated for any cost incurred in the refurbishing of the building to accommodate its specific needs, amongst others the need for open plan floors to accommodate more people and the need for specialised accommodation for electronic equipment. The nature of the expenditure incurred was not of a capital nature.

6. Overview of Funds Received and Spent

- 6.1** The Commission received a total of R600 million for the year under review by way of transfer payments from the State. These allocated funds together with the unutilised funds of R40 million of the previous Commission amounted to R640 million to defray the Commission's capital and operating expenditure incurred in fulfilling its objectives and related functions. Sundry income of R31 million, largely consisting of interest earned was further generated and brings the total income to R671 million for the year under review. These funds have been accounted for as disclosed in the financial statements for the year under review and as summarised below. Equipment, furniture and vehicles amounting to R134 million was acquired during the year under review and accounted for as prescribed in terms of generally accepted accounting practice.



COMMISSION REPORT (continued) for the year ended 31 March 1999

6.2 The results of the Commission's operations for the year ended 31 March 1999 are summarised below:

	Total Expenditure	Personnel Expenditure	Administrative Expenditure	Consumables	Equipment	Land and Building Rentals	Professional and Other services	Miscellaneous Expenditure
	R	R	R	R	R	R	R	R
Programme 1: Administration	148 820 873	13 611 551	7 945 966	1 054 676	4 084 267	6 816 604	115 300 287	7 522
Programme 2: Electoral Operations	231 468 078	62 514 232	41 814 479	33 003 457	2 224 892	10 057 978	81 852 940	100
Programme 3: Regional Offices	24 622 063	14 766 986	5 873 345	423 466	69 309	3 161 195	320 522	7 240
Programme 4: Auxiliary and Associated Services	55 455 122	4 013 041	24 394 473	7 759 796	10 400	-	19 276 769	643
Departmental expenditure	460 366 136	94 905 810	80 028 263	42 241 395	6 388 868	20 035 777	216 750 518	15 505
Depreciation	23 289 463							
Deficit on disposal/ scrapping of assets	14 779							
Interest paid	391 054							
Total Expenditure	484 061 432							
Total Income	671 406 454							
Surplus for the year	187 345 022							
Unutilised surplus transferred from the previous Commission	5 202 756							
Unutilised surplus at 31 March 1999	192 547 778							

6.3 A substantial portion of the amount reflected above as an unutilised surplus relates to expenditure on items that have been capitalised in the financial statements, thereby deferring the expense to be accounted for over the economically useful life of the assets purchased. The effect of this accounting policy (number 1.2 on page 12) is that the expenditure incurred by the Electoral Commission during this first year of operation in procuring infrastructural assets and equipment, will be accounted for as and when the assets and equipment are being used (also refer note 2 on page 14).





REPORT OF THE AUDITOR - GENERAL



REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS OF THE ELECTORAL COMMISSION FOR THE FINANCIAL YEAR ENDED 31 MARCH 1999

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 9 to 22, for the year ended 31 March 1999, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995) and section 13(3) of the Electoral Commission Act, 1996 (Act No. 51 of 1996). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements and compliance with relevant laws and regulations, applicable to financial matters, based on the audit.

2. REGULARITY AUDIT

2.1 NATURE AND SCOPE

2.1.1 Financial audit

The audit was conducted in accordance with generally accepted government auditing standards, which incorporate generally accepted auditing standards. These standards require the audit to be planned and performed to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

2.1.2 Compliance audit

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters. I believe that the audit provides a reasonable basis for my opinion.





2.1 QUALIFICATION

2.2.1 Financial audit

- (a) No authorisation from the Department of State Expenditure could be furnished to substantiate the rollover of an amount of R40 000 000 relating to the unutilised surplus transferred from the Independent Electoral Commission (IEC), in addition To the grant of R600 000 000 received from the Department of Home Affairs as a transfer payment.
- (b) The above-mentioned matter, as disclosed in note 5 to the annual financial statements, results in an overstatement of cash and cash equivalents, the unutilised surplus as well as grants received, while liabilities are understated by R40 000 000.

2.2.2 Compliance audit

(a) Unauthorised expenditure

In terms of the provisions of section 9(8) of the Exchequer Act, 1975 (Act No. 66 of 1975), any surplus at the end of a financial year must be surrendered to the Exchequer. In this regard, the IEC should have paid the surplus of R45 202 756 as at 1 April 1998 to the Exchequer.

On 16 September 1998 the IEC requested approval from Treasury that the surplus funds in the account be transferred to the new Electoral Commission, established in terms of the Electoral Commission Act, 1996. However, no such approval was forthcoming. The Electoral Commission included R40 000 000 of the surplus of the IEC as part of the total grants received, as disclosed in note 8 to the financial statements. The approved budget of R600 000 000 was therefore exceeded by R40 000 000.

2.2 QUALIFIED AUDIT OPINION

2.3.1 Financial audit

In my opinion, except for the effect on the financial statements of the matter referred to in paragraph 2.2.1 above, the financial statements fairly present, in all material respects, the financial position of the Electoral Commission as at 31 March 1999 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.





2.3.2 Compliance audit

Based on the audit work performed, except for the matter referred to in paragraph 2.2.2 above, nothing has come to my attention that causes me to believe that material non-compliance with laws and regulations, applicable to financial matters, has occurred.

2. EMPHASIS OF MATTERS

Without further qualifying the audit opinion expressed above, attention is drawn to the following matters:

2.1 SUBSEQUENT EVENTS

Subsequent to the balance sheet date, certain irregular transactions were detected. These transactions are currently being investigated to determine whether fraud had occurred. And, if so, the nature and extent thereof.

3.2 LATE SUBMISSION OF FINANCIAL STATEMENTS

The financial statements were not submitted in time as required by Audit Circular No. 2 of 1997 and section 3(3) of the Auditor-General Act, 1995. Extension for the submission of the financial statements was granted to 31 August 1999. The signed annual financial statements in respect of the financial year ended 31 March 1999 were submitted on 10 September 1999. However, the annual financial statements had to be amended due to the value-added tax amounts included in the expenditure of the Electoral Commission, which became refundable by the South African Revenue Service to the Electoral Commission upon the registration of the latter as a value-added tax vendor. The amended annual financial statements were signed and submitted on 11 July 2000. However, these annual financial statements had again to be amended due to incorrect presentation and disclosure. The final annual financial statements were signed and submitted on 20 October 2000.

3.3 LEASEHOLD IMPROVEMENTS

The Electoral Commission made improvements totalling R4 701 091 to leasehold property. This expenditure has been charged to the income statement in accordance with the accounting policies of the commission. As the cost of the improvements was not recoverable from the lessor in terms of the contractual agreement, the Electoral Commission improved the lessor's assets without receiving any compensation in return.





2. APPRECIATION

This office takes cognisance of the challenges that the Electoral Commission had to overcome in order to execute its legislative mandate within an extremely short period. These challenges included setting up an organisation, managing voter registration, conducting national and provincial elections, and setting up and maintaining management and operational structures and controls to deal with allocated funds within a relatively short time frame.

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

A handwritten signature in black ink, appearing to read 'M W Pretorius'.

M W PRETORIUS
for Auditor-General

Pretoria
5/11/2000





**FINANCIAL STATEMENTS
OF THE
ELECTORAL COMMISSION**

BALANCE SHEET
at 31 March 1999

	Notes	1999 R
ASSETS		
Non-current assets		
Equipment, furniture and vehicles	2	113 307 065
Current assets		
Consumables held for future use		373 998
Receivables and prepayments	3	81 043 368
Cash and cash equivalents	4	134 583 330
		216 000 696
Total assets		329 307 761
RESERVE AND LIABILITIES		
Reserve		
Unutilised surplus	5	192 547 778
Current liabilities		
Trade and other payables	6	124 875 678
Provisions for liabilities and charges		7 918 751
Deposits held in trust	7	3 965 554
		136 759 983
Total reserve and liabilities		329 307 761



CHIEF ELECTORAL OFFICER

PRETORIA

DATE: 20/10/2000



ELECTORAL COMMISSION

INCOME STATEMENT
for the year ended 31 March 1999

	Notes	1999 R
INCOME	8	671 406 454
Operating surplus	8	187 736 076
Financing costs	9	(391 054)
Surplus for the year		187 345 022
Unutilised surplus transferred from the previous Commission		5 202 756
- Surplus transferred 1 April 1998		45 202 756
- Less: Amount included in income		(40 000 000)
Unutilised surplus at 31 March 1999		192 547 778



CASH FLOW STATEMENT
for the year ended 31 March 1999

	Notes	1999 R
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	10.1	187 387 256
Interest received		30 310 763
Interest paid		(391 054)
Net cash inflow from operating activities		217 306 965
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of equipment, furniture and vehicles		(133 748 275)
Net cash outflow from investing activities		(133 748 275)
Net increase in cash and cash equivalents		83 558 690
Cash transferred from IEC	10.2	51 024 640
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of year		134 583 330



NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 1999

1. Accounting policy

The annual financial statements are prepared on the historical cost basis, and conform, in all material respects, to South African Generally Accepted Accounting Practice.

The principal accounting policies adopted and applied are set out below.

1.1 Revenue recognition

Government grants for the financing of operating expenditure and capital are accounted for as income on the accrual basis.

Interest is recognised on a time proportion basis.

Donor funds received are not included as income nor are the payments made out of these funds treated as expenses as these amounts are only administered by the Commission on behalf of the relevant parties or beneficiaries.

Income other than grants and interest, are accounted for in the year of receipt.

1.2 Equipment, furniture and vehicles

Equipment, furniture and vehicles are shown at historical cost less accumulated depreciation.

Depreciation on equipment, furniture and vehicles are calculated to write off the cost thereof on a straight-line basis over its expected useful life. Artwork is written off in the year of purchase to a residual value of R1 per item. All assets purchased at a value of less than R1 000 have been written off to R1 per item. The expected useful lives for depreciation purposes, for the main categories of equipment, furniture and vehicles, are as follows:

Computer equipment and software	3 years
Scanners	3 years
Office machines and equipment	6 years
Cell phones	3 years
Furniture and fittings	5 - 6 years
Motor vehicles	5 years
Appliances	6 years
Artwork	1 year

Expenditure on improvements to leasehold property is charged to the income statement in the period in which it is incurred.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)

for the year ended 31 March 1999

1.3 Intangible assets

No value is attributed to internally developed trademarks. Costs incurred on trademarks are charged to the income statement in the period in which they are incurred.

1.4 Sale and leaseback

Where sale and leaseback transactions result in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term.

Where a sale and leaseback transaction results in an operating lease and the transaction is established at fair value any profit or loss is recognised immediately. Where the sale price is above or below the fair value the surplus or deficit is deferred and amortised over the period for which the asset is expected to be used.

1.5 Consumables

Consumable stock items are valued at the lower of average cost or estimated net Realisable value.

1.6 Foreign currencies

Transactions in foreign currencies are accounted for at the rate ruling on the transaction date or the contractually agreed to rate if applicable. Gains and losses arising from the settlement of such transactions are recognised in the income statement as part of operating expenditure.

1.7 Financial instruments

Financial instruments carried on the balance sheet include cash and cashbook balances, call deposits, receivables and trade creditors. These instruments are generally carried at their estimated fair value. For example, receivables are carried net of the estimated doubtful receivables. The particular recognition methods adopted are disclosed in the individual notes associated with each item.

1.8 Cash flows

For the purposes of the cash flow statement, cash includes cash on hand and deposits held on call with banks.





NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 1999

2. EQUIPMENT, FURNITURE AND VEHICLES

	Computer equipment and software R	Scanners R	Office machines and equipment R	Cell phones R	Furniture and fittings R	Motor vehicles R	Appliances R	Artwork R	Other assets before September 1994 R	TOTAL R
Year ended 31 March 1999										
Opening net book amount										
- transferred from previous Commission	2 134 657	-	707 778	10 679	2 875	6	1 535	-	5 502	2 863 032
- additions during year	34 947 526	89 910 582	2 672 132	31 511	4 454 127	1 455 779	52 801	223 817	-	133 748 275
- scrapping during year	(14 655)	-	-	-	-	-	(124)	-	-	(14 779)
- depreciation charge for the year	(7 237 838)	(14 328 219)	(604 175)	(18 932)	(706 485)	(149 884)	(20 276)	(223 654)	-	(23 289 463)
Closing net book amount	29 829 690	75 582 363	2 775 735	23 258	3 750 517	1 305 901	33 936	163	5 502	113 307 065
At 31 March 1999										
Cost										
- transferred from previous Commission	2 989 980	-	862 384	16 092	3 645	6	1 929	-	5 502	3 879 538
- additions during year	34 947 526	89 910 582	2 672 132	31 511	4 454 127	1 455 779	52 801	223 817	-	133 748 275
Accumulated depreciation										
- transferred from previous Commission	(869 978)	-	(154 606)	(5 413)	(770)	-	(518)	-	-	(1 031 285)
- charge current year	(7 237 838)	(14 328 219)	(604 175)	(18 932)	(706 485)	(149 884)	(20 276)	(223 654)	-	(23 289 463)
Net book amount	29 829 690	75 582 363	2 775 735	23 258	3 750 517	1 305 901	33 936	163	5 502	113 307 065

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1999

1999
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3. Receivables and prepayments

Trade accounts receivable	182 595
Deposits	10 323 129
Prepayments	816 514
Accrued interest	1 058 514
Outstanding bank deposits	9 720 262
Sundry	1 213 038
VAT claims	57 831 419
Less: Provision for irrecoverable debts - previous Commission	<u>(102 103)</u>
	<u>81 043 368</u>

4. Cash and cash equivalents

Bank balances - current accounts	56 898 001
Call deposits	77 669 630
Petty cash	<u>15 699</u>
	<u>134 583 330</u>

5. Unutilised surplus

Balance transferred from the previous Commission	5 202 756
Surplus transferred 1 April 1998	45 202 756
Less: Amount included in income	<u>(40 000 000)</u>
Surplus for the year	<u>187 345 022</u>
Balance at 31 March 1999	<u>192 547 778</u>

An amount of R40 000 000, brought forward from the previous Commission, was transferred to income as it represents a portion of the allocated budget of R640 000 000 from State Expenditure, of which only R600 000 000 was transferred to the Electoral Commission via the Department of Home Affairs.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1999

1999
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6. Trade and other payables

Trade accounts payable	50 474 028
State Electoral Fund	210 804
Tender deposits	269 000
Sundry	1 378 887
Legal - previous Commission	4 167 004
Cheques not presented for payment	<u>68 375 955</u>
	<u>124 875 678</u>

7. Deposits held in trust

Grants received in respect of the furtherance of Democracy	
- European Union - previous Commission	3 682 527
- Royal Netherlands Embassy	<u>283 027</u>
	<u>3 965 554</u>

The total amount of R3 965 554 is held in trust. The above balance represents the unexpended portion of grants of R4 032 527 received from the various donors that the Electoral Commission is still to distribute to specific concerns in accordance with contractual arrangements for voter education.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1999

1999
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8. Operating surplus is arrived at after taking the following into account:

Revenue from:

- Government grant	640 000 000
- Electoral donations	850 230
- Rental income	148 174
- Political party registration fees	16 500
- Interest received	30 310 763
- Other	80 787

671 406 454

Auditors remuneration:

- Audit fees	1 302 923
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Depreciation:

- Computer equipment and software	7 237 838
- Scanners	14 328 219
- Office machines and equipment	604 175
- Cell phones	18 932
- Furniture and fittings	706 485
- Motor vehicles	149 884
- Appliances	20 276
- Artwork	223 654

23 289 463

Net loss on disposal/scrapping of equipment furniture and vehicles:

- Equipment - scrapping	14 779
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1999

1999
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8. Operating surplus is arrived at after taking the following into account: (continued)

Rentals in respect of operating leases:

- Land and buildings	14 906 113
- Equipment	2 886 959
	<hr/>
	17 793 072
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Fees for services:

- Private institutions	174 119 809
- Government institutions	13 751 972
- Other	6 504 946
- Computer services - wide area network	21 070 868
	<hr/>
	215 447 595
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9. Financing costs

Interest paid - Legal - Previous Commission	371 688
Interest paid - Other	19 366
	<hr/>
	391 054
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1999

1999
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10. Notes to the cash flow statement

**10.1 Reconciliation of surplus for the year
to cash generated from operating
activities**

Surplus for the year **147 345 022**

Adjustments for:

- Depreciation	23 289 463
- Equipment, furniture and vehicles scrapped	14 779
- Interest received	(30 310 763)
- Interest paid	391 054

Operating surplus before working capital changes **140 729 555**

Working capital changes: **46 657 701**

- Increase in consumables	(373 998)
- Increase in receivables and prepayments	(80 180 514)
- Increase in trade and other payables and provisions	126 929 186
- Increase in grant	283 027

Cash generated from operations **187 387 256**



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) for the year ended 31 March 1999

	1999 R
10. Notes to the cash flow statement (continued)	
10.2 Assets and liabilities transferred from previous Independent Electoral Commission	
Equipment, furniture and vehicles	(2 863 032)
Receivables and prepayments	(862 854)
Trade and other payables	5865 243
Deposits held in trust	3 682 527
Unutilised surplus transferred	<u>45 202 756</u>
Cash transferred	<u>51 024 640</u>

11. Taxation

No provision is made for income taxation, as the Commission is exempt from taxation in terms of legislation (with the exception of Value Added Tax, Regional Services Council levies and other indirect taxes).

12. Previous Independent Electoral Commission assets and liabilities

The Electoral Commission Act, 1996 (Act No. 51 of 1996) was proclaimed with the exception of section 24. Section 24(2) of the said Act stipulates that the Commission is the successor in title to the previous Independent Electoral Commission instituted in terms of the Independent Electoral Commission Act, 1993 (Act No. 150 of 1993).

Although section 24 of the Electoral Commission Act, 1996 (Act No. 57 of 1996) has not been proclaimed, these financial statements include the assets and liabilities from the previous Independent Electoral Commission to ensure disclosure of the essence of the transaction rather than the legal form.

The assets and liabilities pertaining to the previous Independent Electoral Commission at 31 March 1998 included in the 31 March 1999 annual financial statements of the Electoral Commission comprise the assets and liabilities set out on the following page:



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1999

12. Previous Independent Electoral Commission assets and liabilities
(continued)

	31 March 1998 R
ASSETS	
Non-current assets	
Equipment, furniture and vehicles	<u>2 863 032</u>
Current assets	
Receivables and prepayments	862 854
Cash and cash equivalents	<u>51 024 640</u>
	<u>51 887 494</u>
Total assets	<u>54 750 526</u>
RESERVE AND LIABILITIES	
Reserve	
Unutilised surplus	<u>45 202 756</u>
Current liabilities	
Trade and other payables	5 865 243
Deposits held in trust	<u>3 682 527</u>
	<u>9 547 770</u>
Total reserve and liabilities	<u>54 750 526</u>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 1999

1999
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13. Commitments

13.1 Operating commitments

Payable within the next 12 months:

- Contractual commitments	30 493 531
- Office rental agreements	7 321 818
- Maintenance agreements	78 450
- Equipment lease payments	1 802 262
- Other	576 401

Payable thereafter:

- Contractual commitments	43 155 440
- Office rental agreements	7 507 598
- Maintenance agreements	208 450
- Equipment lease payments	3 948 926

14. Retirement funding

No retirement plans are operated by the Independent Electoral Commission. Employee are however given the option to join a recognised Retirement Annuity Fund for which contributions are funded from their own remuneration.

15. Comparative figures

Comparative figures are not shown as this is the first year of operations.



**DETAILED INCOME AND EXPENDITURE STATEMENT
for the year ended 31 March 1999**

APPENDIX A

**1999
R**

INCOME

Government grant	640 000 000
Electoral donations	850 230
Rental income	148 174
Political party registration fees	16 500
Interest received	30 310 763
Other	80 787

Total income

671 406 454

EXPENDITURE

Personnel expenditure

94 905 810

Salaries	80 090 107
Remunerative allowances	6 468 667
Bonuses	73 666
Gratuities	3 513 460
Employers contributions	1 247 890
Placement fees	3 512 020

Administrative expenditure

80 028 263

Subsistence expenditure	6 109 739
Transport expenditure	20 673 919
Air transport	2 220 194
Communication expenditure	13 990 133
Study expenditure	2 953
Regional council levy	527 797
Advertisements	27 399 746
Entertainment expenditure	4 075 073
Membership & Registration	16 927
Insurance	225 481
Incidental expenditure	83
Hiring halls	4 536 134
Relocation costs	250 084



ELECTORAL COMMISSION

**DETAILED INCOME AND EXPENDITURE STATEMENT
for the year ended 31 March 1999**

APPENDIX A

	1999 R
EXPENDITURE (continued)	
Printing, stationery and other supplies	42 241 395
Purchase of equipment	3 501 909
Software license fees	3 391 565
Electoral equipment	85 410
Trade marks	11 400
Other	13 534
Rented equipment	2 886 959
Land and buildings	20 035 777
Office rentals	14 906 113
Improvements to leasehold properties	4 701 091
Office cleaning	428 573
Professional & other services	216 750 518
Computer services - wide area network	21 070 868
Research	3 189 477
Maintenance and repairs	5 542 880
Professional services	184 721 755
Legal costs	426 351
Audit costs	1 302 923
Bank charges	496 264
Miscellaneous expenditure	15 505
Depreciation	23 289 463
Deficit on disposal/scrapping of assets	14 779
Interest paid	391 054
Total expenditure	484 061 432
Surplus for the year	187 345 022





DEPARTMENTAL EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

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
ADMINISTRATION								
Electoral Commission	3 581 164	2 784 789	775 338	20 309			647	81
Management	4 339 081	1 550 186	578 286	27 810	679		2 182 120	
Deputy Chief Electoral Officer:								
Administration and support services	30 487 734	982 311	207 764	15 146			29 282 513	
Security services	1 192 835	-	81 906	21 243		7 094	1 082 592	
Financial administration	10 298 386	190 635	605 818	42 012		2 388 660	7 071 261	
Legal administration	2 095 345	1 198 162	136 428	7 880		-	752 875	
Corporate services	45 062 927	6 793 481	5 293 643	813 803	682 713	4 383 408	27 088 438	7 441
Support services	11 655 197	2 275 616	2 864 245	328 738	584 884	4 378 257	1 216 179	7 278
Procurement services	2 169 457	1 574 462	336 478	90 004	-	-	168 513	-
Asset management	2 528 922	1 489 950	284 075	376 193	97 829	5 151	275 561	163
Human resources	28 709 351	1 453 453	1 808 845	18 868	-	-	25 428 185	
Information technology	51 763 401	111 987	266 783	106 473	3 400 875	37 442	47 839 841	
Total for programme 1: Administration	148 820 873	13 611 551	7 945 966	1 054 676	4 084 267	6 816 604	115 300 287	7 522
ELECTORAL OPERATIONS								
Deputy Chief Electoral Officer:								
Electoral operations and support services	1 098 568	832 404	82 785	15 807			167 572	
Delimitation	44 128 981	3 155 315	1 521 137	1 250 861	183 258		38 018 310	100
Voter registration and electoral logistics	56 664 480	2 495 091	3 231 312	24 279 093	(49 559)	4 173 883	22 534 660	
Recruitment and training	7 156 384	4 729 306	1 204 620	344 692	381		877 385	
Voter education	1 436 937	652 173	367 707	124 197	-		292 860	
Electoral liaison	120 982 728	50 649 943	35 406 918	6 988 807	2 090 812	5 884 095	19 962 153	
Total for programme 2: Electoral operations	231 468 078	62 314 232	41 814 479	33 003 457	2 224 092	10 057 978	81 852 940	100

DEPARTMENTAL EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 1999 (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	3 070 302	1 934 316	746 031	64 473	28 824	279 486	15 962	1 210
Free State	2 768 333	1 439 181	789 918	63 654	1 589	441 277	32 714	-
Gauteng	2 955 235	1 801 561	265 294	43 445	13 716	800 903	29 663	653
KwaZulu-Natal	4 398 755	1 974 096	1 752 559	43 325	4 033	613 570	10 971	201
Mpumalanga	1 722 180	1 050 938	282 638	27 209	366	228 103	128 426	4 500
Northern Cape	2 727 633	1 748 391	726 284	39 752	-	203 769	8 911	526
Northern Province	2 094 249	1 444 229	334 877	53 949	-	240 066	21 128	-
North West Province	3 183 632	1 984 257	745 651	58 383	8 231	340 171	46 789	150
Western Cape	1 701 744	1 390 017	230 093	29 276	12 550	13 850	25 958	-
Total for programme 3:	24 622 063	14 766 986	5 873 345	423 466	69 309	3 161 195	320 522	7 240
AUXILIARY AND ASSOCIATED SERVICES								
Communications and information services	50 265 570	2 628 077	24 145 137	7 748 538	10 300	-	15 732 875	643
Transport	-	-	-	-	-	-	-	-
Research	3 150 026	-	-	-	-	-	3 150 026	-
Democracy development	2 039 526	1 384 964	249 336	11 258	100	-	393 868	-
Total for programme 4:	55 455 122	4 013 041	24 394 473	7 759 796	10 400	-	19 276 769	643
Auxiliary and associated services	460 366 136	94 905 810	80 028 263	42 241 395	6 388 868	20 035 777	216 750 518	15 505
Departmental expenditure	23 289 463							
Depreciation	14 779							
Deficit on disposal/scraping of assets	391 054							
Interest paid								
Total expenditure	484 061 432							
Total income	671 406 454							
Surplus for the year	187 345 022							
Unutilised surplus transferred from previous Commission	5 202 756							
Unutilised surplus at 31 March 1999	192 547 778							