



Electoral Commission **2016** ANNUAL REPORT



Electoral Commission 2016 ANNUAL REPORT



SOUTH AFRICA

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General Information

A

1. ELECTORAL COMMISSION'S GENERAL INFORMATION

NAME:	Electoral Commission
PHYSICAL ADDRESS:	Election House Riverside Office Park 1303 Heuwel Avenue Centurion 0157
POSTAL ADDRESS	Private Bag X112 Centurion 0046
TELEPHONE NUMBER/S	+27 12 622 5700
FAX NUMBER:	+27 12 622 5784
EMAIL ADDRESS:	info@elections.org.za
WEBSITE ADDRESS:	www.elections.org.za
BANKERS:	Standard Bank of South Africa
AUDITORS:	Auditor-General of South Africa



2. LIST OF ABBREVIATIONS AND ACRONYMS

AGSA	Auditor-General of South Africa
API	Application Programming Interface
APP	Annual Performance Plan
A-WEB	Association of World Election Management Bodies
B-BBEE	Broad-based Black Economic Empowerment
BOM	Bill of Materials
BPG	Ballot Paper Generation
CAE	Chief Audit Executive
CCMA	Commission for Conciliation, Mediation and Arbitration
CDE	Civic and Democracy Education
CEO	Chief Electoral Officer
CFO	Chief Financial Officer
CGU	Cash-generating unit
CSO	Civil Society Organisation
COIDA	Compensation for Occupational Injuries and Diseases Act
DCEO	Deputy Chief Electoral Officer
DEF	Democracy Education Facilitator
DHA	Department of Home Affairs
DIRCO	Department of International Relations and Cooperation
DPSA	Department of Public Service and Administration
EDV	Electoral Democracy and Voter Education
EE	Employment Equity
EFT	Electronic Funds Transfer
EMB	Electoral Management Body
EPC	Electoral Project Coordinator
ERMC	Executive Risk Management Committee
ESS	Electoral Staff System
EXCO	Executive Committee
FMPPi	Framework for Managing Programme Performance Information
GEPP	Government Employees' Pension Fund
GITOC	Government Information Technology Officer Council
GRAP	Generally Recognised Accounting Practice
GRC	Governance, Risk and Compliance
HR	Human Resources
HSRC	Human Sciences Research Council
ICCPR	International Covenant on Civil and Political Rights
IIA	Institute of Internal Auditors
ICPS	International Centre for Parliamentary Studies
ICR	Intelligent Character Recognition
ICT	Information and Communication Technology
International IDEA	International Institute for Democracy and Electoral Assistance
IEC	Independent Electoral Commission
LAN	Local Area Network

LEAD	Legal Education and Development (of the Law Society of South Africa)
LGE	Local Government Election
LIS	Logistics Information System
LSSA	Law Society of South Africa
MDB	Municipal Demarcation Board
MEO	Municipal Electoral Officer
MOC	Municipal Outreach Coordinator
MRP	Materials Requirement Plan
MTEF	Medium-term Expenditure Framework
NAD	National Address Dictionary
NCF	National Coordinating Forum
NEHAWU	National Education, Health and Allied Workers' Union
NPE	National and Provincial Elections
NPR	National Population Register
OCNS	Online Candidate Nomination System
OCR	Optical Character Recognition
OPA	Online Party Administrator
OTO	Outreach and Training Officer
PAA	Public Audit Act
PBSU	Programmable Barcode Scanning Unit
PEO	Provincial Electoral Officer
PFMA	Public Finance Management Act
PLC	Party Liaison Committee
PPFA	Preferential Procurement Policy Framework Act
PR	Proportional representation
RAMS	Radio Audience Measurement Statistics
REC 1	Registration application form
SABC	South African Broadcasting Corporation
SADC	Southern African Development Community
SANEF	South African National Editors' Forum
SAP	Systems, Applications and Products
SAPS	South African Police Service
SITA	State Information Technology Agency
SMME	Small, medium and micro enterprises
TAMS	Television Audience Measurement Statistics
the dti	The Department of Trade and Industry
UPS	Uninterrupted power supply
USSD	Unstructured supplementary services data
VAT	Value-added Tax
VD	Voting district
VPS	Voter Participation Survey
VRS	Voter Registration System
WAN	Wide Area Network

3. FOREWORD BY THE CHAIRPERSON

The Electoral Commission is proud to present its annual report for the 2015/16 financial year.

The reporting period coincides with preparations for the fourth General Municipal Elections in South Africa since the establishment of the Electoral Commission in 1997. Most of the Commission's activities were therefore focused on preparing for these elections.

It is also during this period that the Commission's complement was enhanced by my appointment as Commissioner on 18 May 2015, and also my subsequent appointment as Chairperson of the Commission on 14 November 2015. A new Commissioner, Ms Janet Love, was subsequently appointed in April 2016.

The appointments gave certainty and added capacity to the Electoral Commission, especially as it was preparing for the 2016 Municipal Elections.

The Commission is mandated by the Constitution to:

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

The Commission has introduced a number of initiatives to ensure that this constitutional mandate is met. The detail of these initiatives, which includes the introduction of an online candidate nomination system, and applications for special votes online and by text message, is set out in the body of this annual report.

This period under review has seen a number of developments that confirm the enthusiasm of South Africans in the country's electoral democracy and also their understanding of their rights, values and principles, as espoused in the Constitution of the Republic of South Africa, such as the freedom of expression and the freedom of association.



GLEN MASHININI
Chairperson: Electoral Commission

South Africans have also, without a doubt, made a huge contribution to ensure that the Commission meets its mandate adequately. Where ordinary citizens and political parties did not agree with or were unable to understand some of the processes of the Commission, they approached the Constitutional Court, the Electoral Court and other courts available in the country for guidance and clarity on their assertions. These court challenges are welcomed by the Commission as they have strengthened the Commission's systems and processes, and further opened up debate among South Africans on issues pertaining to elections and democracy.

In 1998, the Electoral Commission introduced the first voters' roll in South Africa after a rigorous registration process, which was carried out in the same year. The voters' roll has been used in all our elections since 1999 and is updated regularly. The Electoral Commission held its first registration weekend on 5 and 6 March 2016 (a second registration weekend was held on 9 and 10 April 2016), where all voters were encouraged to register to vote or to confirm their registration details to ensure that they were on the correct segment of the voters' roll.

The enthusiasm of South Africans to participate in their democracy became evident in the number that heeded the call to visit voting stations to register and to verify their registration status. As a result, more than 3 million South Africans visited voting stations during this registration period. Approximately 700 000 new registrations were recorded during this registration drive, thereby increasing the voters' roll to over 25 million registered voters.

Political parties are the backbone of any stable and maturing democracy. The Commission is required to register political parties in accordance with sections 15 and 15A of the Electoral Commission Act 1996 (Act 51 of 1996). A total of 72 political parties were registered with the Electoral Commission during the period under review, 29 of which were registered at a national level. This figure is expected to increase in the period leading up to the 2016 Municipal Elections.

The Commission continues to play a critical role internationally through active membership of the International Institute for Democracy and Electoral Assistance (International IDEA), the Commonwealth Electoral Network, the International Centre for Parliamentary Studies (ICPS), the Electoral Commissions Forum of SADC countries and the Association of World Election Management Bodies (A-WEB). The Commission also enjoys strong relationships with other electoral management bodies on the African continent and beyond.

During this reporting period, the Commission participated in various international forums convened under the auspices of the Electoral Commissions Forum of SADC countries. The Commission sent delegations to observe elections and sent its staff to provide assistance with and learn about the management of elections in other countries. The Commission also received delegations from many countries on the continent and further afield for purposes of observing the elections, sharing best practices and benchmarking.

The Commission continues to receive full cooperation from government at municipal, provincial and national levels. The scale of complexity of the Commission's mandate makes this cooperation a prerequisite for a successful election. Most departments and officials who were approached facilitated the Commission's work.

Finally, the Commission would like to express its appreciation for the enthusiastic support received during this reporting period from a number of institutions, including Parliament, political parties, civil society organisations, faith-based organisations, traditional leaders and the public in general.



Glen Mashinini
Chairperson
Electoral Commission
30 May 2016

4. CHIEF ELECTORAL OFFICER'S OVERVIEW

Introduction

In terms of section 65 of the Public Finance Management Act (PFMA), I take pleasure in providing an account of the manner in and extent to which we, as the Electoral Commission, have discharged our functions and duties during the 2015/16 financial year under the authority and mandate of the Electoral Commission Act of 1996.

The Electoral Commission Act mandates us to manage elections of legislative bodies in South Africa. This mandate is at the core of our performance and drives us to ensure that we deliver elections that are free and fair. This report is presented in the context of preparations for the 2016 Municipal Elections.



MOSOTHO S MOEPYA
Chief Electoral Officer

Preparing for the 2016 Municipal Elections

As indicated, the thrust of the organisation and its resources in the year under review were directed at the preparations for the upcoming local government elections.

The two main drivers were the following:

- (i) The impact of the re-demarcation of municipal and ward boundaries by the Municipal Demarcation Board (MDB) on voting districts
- (ii) The activities pertaining to the two main registration drives

In terms of section 22 of the Local Government: Municipal Demarcation Act, 1998, the Minister of Cooperative Governance and Traditional Affairs requested the MDB to re-determine the boundaries of certain municipalities.

This was after the MDB had concluded the review of municipal boundaries in October 2014. Consequently, the boundaries of some municipalities changed significantly and the number of municipalities in the country was also reduced. This, in turn, necessitated the Electoral Commission to align its voting districts to new municipal and ward boundaries. This impacted on the registration of voters in the affected voting districts.

A national common voters' roll is one of the founding provisions of the Constitution. To this end, the Commission is legally bound to compile and maintain the voters' roll by affording eligible voters the opportunity to register, and to check or update their registration details, where applicable, to ensure the accuracy of the voters' roll. Our voter registration systems ensure that no voter is registered in more than one voting district. However, in view of the 2015 Kham judgment by the Constitutional Court and the subsequent 2016 Mhlope judgments by the Electoral and Constitutional courts, the accuracy and currency (quality) of the voters' roll were in the spotlight in the year under review, and will continue to be so in the next financial year. These judgments have a major impact on the way the Electoral Commission will be conducting voter registration in future, especially in relation to the procurement of addresses or the capturing of sufficient particularities of voters on the voters' roll with a view to further improving the quality of the voters' roll.

The first national registration drive took place on 5 and 6 March 2016 (and again on 9 and 10 April 2016). During the first registration drive, over 3 million South African voters visited their voting stations to register

for the first time, to re-register or to update their registration details. This activity is more than double that recorded during the first registration weekend for the previous Municipal Elections in 2011, and represents a 23% increase in registration activity during the first registration weekend in the 2014 National and Provincial Elections.

As at the close of the financial year, there were 25 642 052 registered voters on the voters' roll. This roll is maintained throughout the year, and in the reporting period, a significant number of address details was added to the records of registered voters.

General performance review of the Electoral Commission

Of the 33 performance targets set for the year under review, 26 were achieved. A high-level summary of achievements is set out in section 2.4 in Part B of this report.

General financial review of the Electoral Commission

The Electoral Commission received R1.52 billion for the year under review by way of a parliamentary allocation in terms of Vote 5. Sundry income, consisting largely of interest earned of R16.6 million, brought the Electoral Commission's total income to R1.53 billion for the year under review. Expenditure reflected in the annual financial statements, on the accruals basis, was R1.41 billion, giving an accounting surplus of R119 million.

The Electoral Commission budgets on a cash basis in line with the allocations voted, and in the 2015/16 financial year, an amount of R281 million remained unspent, which will be rolled over into 2016/17.

Included in the roll-over is an amount of R120 million of savings committed to funding the replacement of registration technology (barcode scanners or zip-zips) in 2017/18. A further amount of R152 million was originally allocated in 2015/16 and then ring-fenced to be rolled over for spending in 2016/17 due to the determination of the 2016 Municipal Elections date set for 3 August 2016, which was later than had been budgeted.

Overall, the Electoral Commission has succeeded in maintaining its spending within budget.

In a registration year, such as this one, the balance sheet reflects higher levels of both current assets and liabilities at year end, as the bulk of the activity is in the last quarter of the year.

Inventories in 2014/15 reflected only R7.9 million compared to the R45.4 million in inventories that were purchased in 2015/16 for the upcoming municipal elections, reflecting use for registration- and election-related activities. Cash balances are at R341 million, which includes the cash reserved to assist in funding the replacement of registration technology, as well as the ring-fenced amount mentioned above. Payables are at R176 million, compared to R73 million in 2014/15, which reflected the increase in activity at the end of the financial year as the Electoral Commission geared itself towards registration- and election-related activities.

Spending trends

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

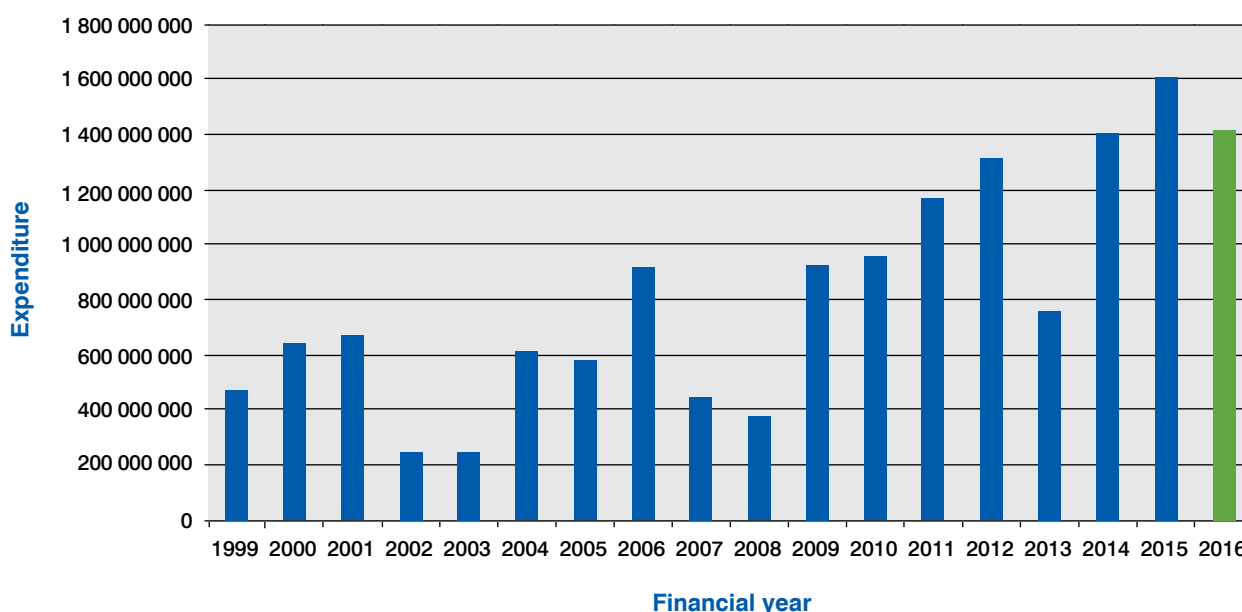


Figure 1: Expenditure trends since 1999

Capacity constraints and challenges facing the Electoral Commission

The Electoral Commission has a full-time establishment of 1 033 permanent members of staff. As at 31 March 2016, 941 posts were filled. In the peak registration period in the latter part of the financial year, this was expanded with the employment of fixed-term staff, including 383 assistant project coordinators, 260 municipal outreach coordinators and 1 376 democracy education facilitators. In addition, some 52 244 temporary staff members were employed in various capacities to assist at voting stations during the first registration drive in March 2016, supplemented by 4 644 area managers.

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

Supply chain management

The Electoral Commission's eProcurement system, which was developed and successfully implemented in 2002, has continued to contribute to the effective functioning of the Electoral Commission's supply chain management processes and systems. The system has been further strengthened and enhanced to comply with all current statutory supply chain management requirements and procedures, which include, but are not limited to, National Treasury prescripts, Preferential Procurement Regulations, as well as Broad-based Black Economic Empowerment (B-BBEE) functionality, and the 'live' evaluation and scoring of bids.

In promoting the objectives of the Preferential Procurement Policy Framework Act (PPPFA), 2000, the Electoral Commission has collaborated and worked closely with the Department of Trade and Industry (the dti) in preparing bid specifications and an appropriate procurement approach in relation to minimum local content requirements. A number of successful bids were run and awarded in close consultation with the dti in the categories of textiles and office furniture.

Furthermore, the Electoral Commission developed and successfully implemented a system to collect and coordinate input for the preparation of its annual procurement plan. The system has become an important monitoring and management tool to track progress on all procurement requirements above the R500 000 threshold within and across financial years.

I am satisfied that the Electoral Commission has sound supply chain management practices, supported by a procurement policy and standard operating procedures, which have assisted in reducing irregular expenditure over the past few years. In 2015/16, irregular expenditure of R38 million was incurred, resulting from failures in that year. This represents 0.26% of the expenditure for the year. Also included in the irregular expenditure for 2015/16 is an amount of R33.8 million relating to rentals

for the Riverside Office Park accommodation. Fruitless and wasteful expenditure of R20 213 was incurred.

During the year under review, the Bid Adjudication Committee met 38 times. A total of 350 auctions were run on eProcurement, and 73 tender advertisements were published. No unsolicited bids were accepted.

No significant gifts or donations were made or received in the financial year.

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

The Electoral Commission received an unqualified audit in 2014/15. The focus for 2015/16 has been on sustaining this performance. This was achieved and an unqualified audit was received for 2015/16. Audit findings identified and reported by the Auditor-General of South Africa (AGSA), including those reported in its audit report, are tracked to ensure that the necessary process enhancements are effected.

The challenge in a year when electoral activities are starting to peak is to ensure that procurement processes are compliant, and that adequate supporting documentation can be provided for the audit of payments to registration and other temporary staff categories, as well as for the 22 569 voting stations. Moving the dates of the two main registration drives also contributed to this challenge.

Events after the reporting date

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

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

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

Acknowledgements

A special note of appreciation goes to the members of the Commission and staff of the Electoral Commission who have worked tirelessly in the service of the organisation, understanding the importance of its mandate so that we could once again present a report of which the Electoral Commission can be proud.



Mosotho S Moepya
Chief Electoral Officer
Electoral Commission
30 May 2016



5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

In our opinion, the annual report fairly reflects the operations, performance information, human resources information and financial affairs of the Electoral Commission for the financial year ended 31 March 2016.

Yours faithfully

Chief Electoral Officer
Mosotho S Moepya
30 May 2016

Chairperson
Glen Mashinini
30 May 2016

6. STRATEGIC OVERVIEW

6.1 Vision

To be a pre-eminent leader in electoral democracy

6.2 Mission

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

6.3 Values

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

- a) Impartiality
- b) Integrity
- c) Accountability
- d) Transparency
- e) Participation
- f) Responsiveness
- g) Respect.

6.4 Strategic outcome-orientated goals

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

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

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

7.2 Legislative mandates

The duties and functions of the Electoral Commission are defined in section 5 of the Electoral Commission Act (Act 51 of 1996). These are to:

- a) manage any election;
- b) ensure that any election is free and fair;
- c) promote conditions conducive to free and fair elections;
- d) promote knowledge of sound and democratic electoral processes;
- e) compile and maintain a voters' roll by means of a system of registering eligible voters by utilising data available from government sources and information furnished by voters;
- f) compile and maintain a register of parties;
- g) establish and maintain liaison and cooperation with parties;
- h) undertake and promote research into electoral matters;
- i) develop and promote the development of electoral expertise and technology in all spheres of government;
- j) continuously review electoral legislation and proposed electoral legislation, and make recommendations in connection therewith;
- k) promote voter education;
- l) promote cooperation with and between persons, institutions, governments and administrations for the achievement of its objects;
- m) declare the results of elections for national, provincial and municipal legislative bodies within seven days after such elections;
- n) adjudicate disputes that may arise from the organisation, administration or conducting of elections and that are of an administrative nature; and
- o) appoint appropriate public administrations in any sphere of government to conduct elections when necessary.

7. LEGISLATIVE AND OTHER MANDATES

The Electoral Commission is a constitutional institution that falls under Schedule 1 of the PFMA (Act 1 of 1999).

7.1 Constitutional mandate

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

The duties and functions of the Electoral Commission in respect of the elections of the National Assembly and provincial legislatures are also defined in the Electoral Act (Act 73 of 1998). This Act includes, among other things, the maintenance of the national common voters' roll and the requirements for registration as a voter. The Electoral Act is applicable to municipal elections to the extent expressly provided for in the Local Government Municipal Electoral Act (Act 27 of 2000).

The Local Government Municipal Electoral Act deals with the specific nature of local government elections. It provides for who may vote in municipal elections, the administration of candidate nominations, the

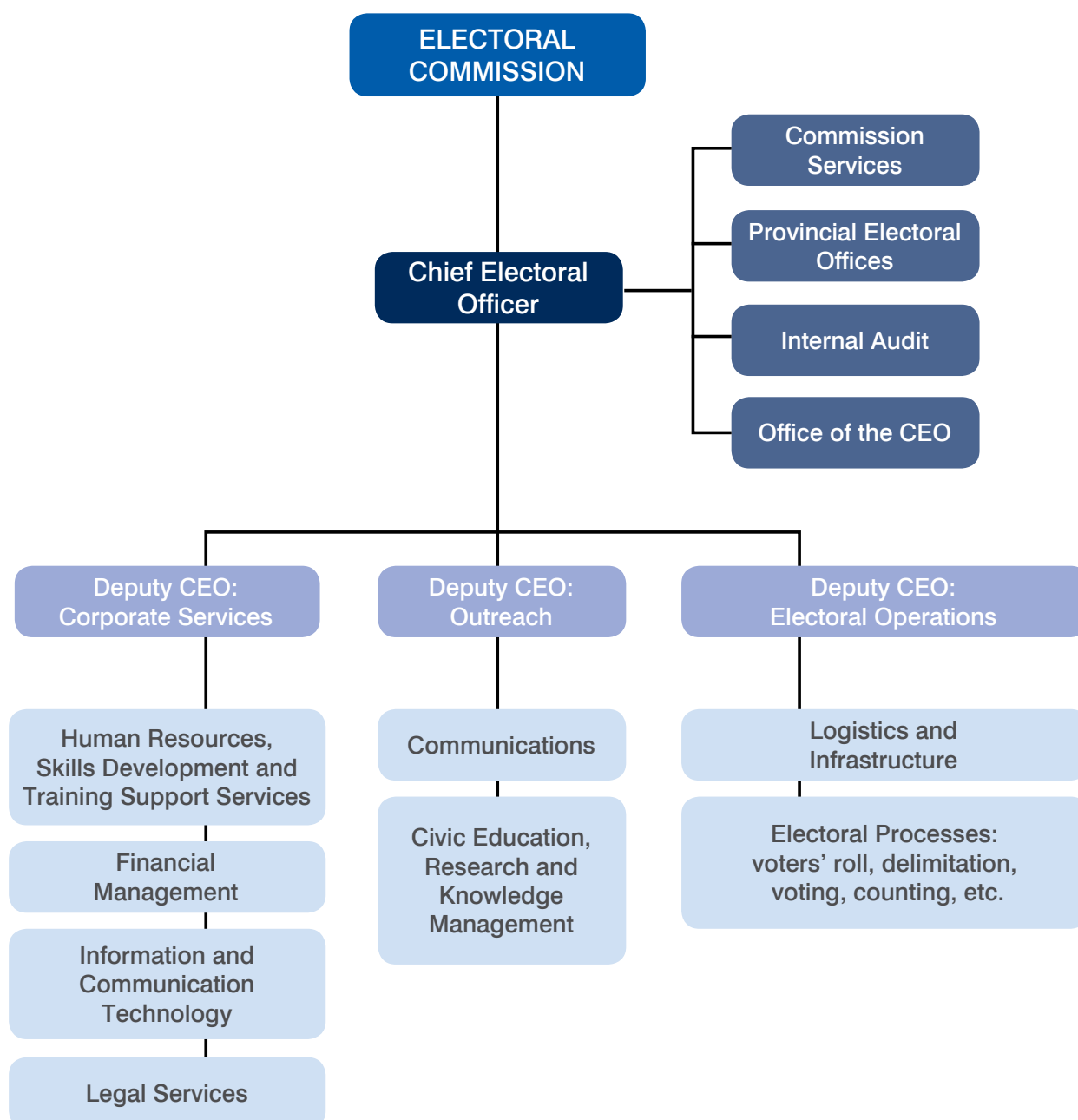
appointment of voting officials and agents, and all other related voting and counting issues. As in the case of the Electoral Act, appropriate regulations have been published in support of the provisions of this Act.

The Local Government Municipal Structures Act (Act 117 of 1998) provides for the establishment, management and functions of the various municipalities, as well as an electoral system and seat calculation formulas (the conversion of votes into seats). This legislation is required to conclude the results process for the election of municipal councils.

7.3 Policy mandates

The Electoral Commission undertakes its work independently within the Republic of South Africa, but is often called upon to assist in South Africa's international relations and to undertake electoral assistance in other countries. It undertakes international assignments in the national interest, and in support of the initiatives of the Department of International Relations and Cooperation (DIRCO) on the country's foreign policy. Requisite funding for this activity is obtained from the government of the Republic of South Africa.

8. ORGANISATIONAL STRUCTURE



9. LEADERSHIP OF THE ELECTORAL COMMISSION



CHAIRPERSON:
Mr Glen Mashinini



VICE-CHAIRPERSON:
Mr Terry Tselane



COMMISSIONER:
Judge Thami
Makhanya



COMMISSIONER:
Reverend Bongani
Finca



COMMISSIONER:
Ms Janet Love



**CHIEF ELECTORAL
OFFICER:**
Mr Mosotho Moepya

- ⇒ Commission Services
- ⇒ Provincial Electoral Offices
- ⇒ Internal Audit
- ⇒ Office of the CEO



**DEPUTY CEO:
CORPORATE SERVICES:
Ms Fiona Rowley-Withey**

- ⇒ Human Resources, Skills Development and Training Support Services
- ⇒ Financial Management
- ⇒ Information Communication Technology
- ⇒ Legal Services



**DEPUTY CEO:
OUTREACH:
Dr Nomsa Masuku**

- ⇒ Communication
- ⇒ Civic Education, Research and Knowledge Management



**DEPUTY CEO:
ELECTORAL OPERATION:
Mr Sy Mamabolo**

- ⇒ Logistics and Infrastructure
- ⇒ Electoral Matters: Voters' Roll, Delimitation, Voting, Counting, etc.

10. SENIOR MANAGEMENT AT NATIONAL LEVEL



**CHIEF
INFORMATION
OFFICER:**
Mr Libisi Maphanga



**SENIOR MANAGER:
ELECTORAL
MATTERS:**
Mr Granville Abrahams



**SENIOR MANAGER:
LOGISTICS AND
INFRASTRUCTURE:**
Mr Simon Boyle



**SENIOR MANAGER:
LEGAL SERVICES:**
Ms Rekha Raath



**SENIOR MANAGER:
CIVIC EDUCATION, RESEARCH
KNOWLEDGE MANAGEMENT:**
Ms Shameme Manjoo



**SENIOR MANAGER:
COMMUNICATIONS:**
Mr Marco Granelli



**SENIOR MANAGER:
HUMAN RESOURCES AND
CORPORATE SERVICES:**
Ms Bonolo Gopane

11. PROVINCIAL ELECTORAL OFFICERS



EASTERN CAPE PEO:
Mr Thami Mraji



FREE STATE PEO:
Mr Jabulani Tshabalala



GAUTENG PEO:
Mr Masego Sheburi



KWAZULU-NATAL PEO:
Mr Mawethu Mosery



LIMPOPO PEO:
Ms Nkaro Mateta



MPUMALANGA PEO:
Mr Steve Ngwenya



NORTH WEST PEO:
Dr Tumelontle Thiba



NORTHERN CAPE PEO:
Mr Bonolo Modise



WESTERN CAPE PEO:
Rev Courtney Sampson



Performance Information

B

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit assessment. The audit assessment of the performance against predetermined objectives is included in the report to management, with material findings being reported under the section of the Auditor-General's Report headed 'Predetermined objectives' (page 77).

Refer to page 76 to 78 for the Auditor-General's Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

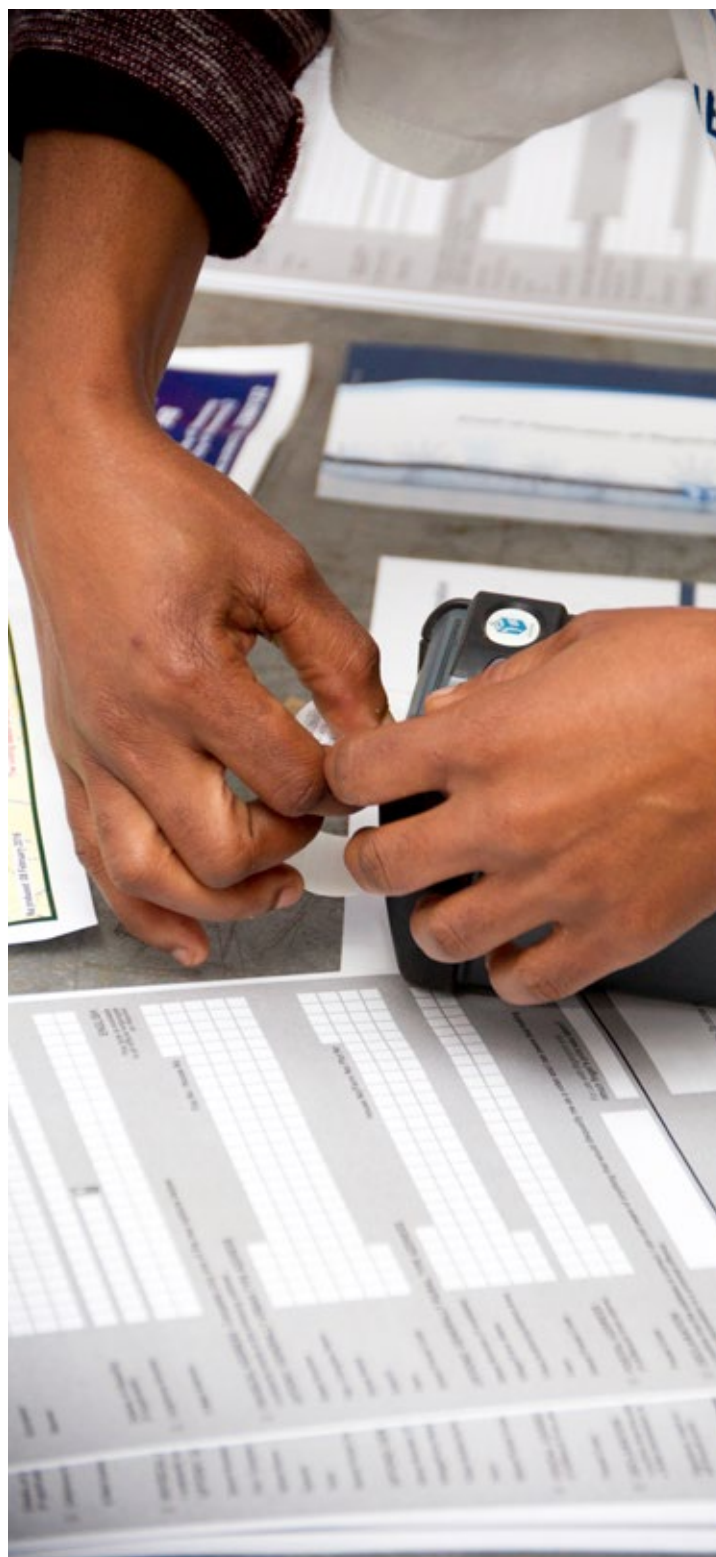
2.1 Service delivery environment

Recent developments with regard to the Tlokwe by-elections, in which the Constitutional Court has set aside the results of seven ward by-elections, have had a major impact on the way the Electoral Commission will be conducting voter registration in future. In the court order arising from the judgment, the Constitutional Court ordered that:

- a) the by-elections conducted in the Tlokwe Local Municipality on 12 September 2013 in Ward 18, and on 10 December 2013 in wards 1, 4, 11, 12, 13 and 20, were not free and fair;
- b) the outcome of those by-elections be set aside and fresh by-elections be held in terms of section 25 of the Local Government: Municipal Structures Act (Act 117 of 1998);
- c) when registering a voter to vote in a particular voting district after the date of this order, the Electoral Commission is obliged to obtain sufficient particularity of the voter's address to enable it to ensure that the voter is – at the time of registration – ordinarily resident in that voting district;
- d) in all future municipal elections or by-elections, the Electoral Commission is obliged, in terms of section 16(3) of the Electoral Act (Act 73 of 1998), to provide all candidates in municipal elections, on the date on which they are certified, with a copy of the segment of the national voters' roll to be used in that ward in that election, including the addresses of all voters, where these addresses are available.

In addressing some of the critical issues that have arisen in relation to this case, the Electoral Commission is implementing or has implemented several initiatives, among others, to:

- a) procure the addresses of voters upon registration so as to ascertain a place of ordinary residence within a correct voting district; this requirement arose at the moment of the promulgation of section 16(3) of the Electoral Act in December 2003;
- b) ensure that sufficient particularities of persons registering as voters after 30 November 2015



are obtained where a voter does not have a conventional address; to support this initiative, in December 2015, the Electoral Commission introduced a new form (the REC AS form) or affirmation statement for voters to affirm their sufficient particularities in order to ascertain their correct voting district;

- c) develop training material to assist voting station staff to understand the requirements in terms of the new form; this material was disseminated to the 52 169 staff members who worked at voting stations for the registration weekend in March 2016;
- d) capture address details in advance of the proclamation date of an election to enable candidates and political parties to object to persons who may not qualify to register in the voting district where they applied for registration (previously addresses were captured after the proclamation date);
- e) create a module enabling voters to complete the REC 1 form online, to print and submit the form for registration at the voting station, and, at the same time, harvest the address data for automatic upload after registration;
- f) provide infrastructure to support the scanning and processing of REC 1 forms, such as intelligent character recognition (ICR) and optical character recognition (OCR), quality assurance and the uploading of voter address data into the Voter Registration Business System;
- g) address political parties and candidates in respect of their responsibility to ensure that they adhere to the Code of Conduct and thus refrain from practices that violate the provisions of the Electoral Act and the Local Government Municipal Electoral Act; and
- h) develop and disseminate material to educate the public about the serious consequences of committing electoral fraud, such as providing false information in order to register in a voting district where they are not ordinarily resident.

In addition, notwithstanding our interpretation of the court order to be prospective, the Electoral Commission resolved to collect as many addresses as possible during the registration drives planned in advance of the 2016 Municipal Elections.

Efforts to collect addresses for registered voters continued in the second registration weekend planned for 9 and 10 April 2016.

The Electoral Commission will continue to monitor developments in this regard and will implement further strategies and/or take corrective action as and when deemed necessary.

Subsequent to the Constitutional Court judgment, on 23 February 2016, the Electoral Court ordered that the by-elections scheduled to take place in Tlokwe on 24 February 2016 be postponed. The Commission took the view that this decision of the Electoral Court created significant uncertainty in respect of voters with no address

details on the voters' roll. Consequently, an application for leave to appeal, contemporaneous with an application for direct access to the Constitutional Court, was launched by the Electoral Commission. This was intended to obtain clarity on the position of voters whose address details the Electoral Commission had not obtained or retained following the registration of these voters.

In June 2016, the Constitutional Court dismissed the appeal and granted the application for direct access. The Constitutional Court further made the following orders:

- a) The Electoral Commission's failure to record all available voters' addresses on the national common voters' roll is inconsistent with its rule of law obligations imposed by section 1(c) of the Constitution and invalid.
- b) The declaration of invalidity is suspended, and the duty of the Electoral Commission to record all the available addresses of voters on the national common voters' roll for the purpose of the August 2016 local government elections is, except for the Tlokwe Local Municipality, suspended.
- c) The Electoral Commission must, by 30 June 2018, have obtained and recorded on the national common voters' roll all addresses that were reasonably available as at 17 December 2003.
- d) The suspension does not apply to local government by-elections to be conducted after the 3 August 2016 general election of municipal councils.

At six-monthly intervals, calculated from the date of the order, the Electoral Commission must file a report with this court, setting out the number of outstanding post-December 2003 addresses it has since obtained and recorded on the national common voters' roll and the number of post-December 2003 addresses still outstanding, as well as the steps taken and to be taken to obtain outstanding post-December 2003 addresses and any other matter it may consider necessary to report on.

The Electoral Commission has immediately taken steps to secure addresses for the registered voters in Tlokwe for whom addresses were not recorded on the voters' roll, and will take steps to secure the balance of the addresses required in terms of the order.

Following the municipal demarcation process undertaken by the MDB, the number of municipalities will be reduced from 278 to 257. This includes eight metropolitan municipalities (unchanged from 2011), 205 local municipalities (226 in 2011) and 44 district municipalities (unchanged).

These municipal boundary changes also resulted in ward boundary changes, which, in turn, necessitated the Electoral Commission to review voting station boundaries. During this process, the total number of voting stations increased by 349 to 22 612, which represents a significant improvement in terms of access to voting stations by voters.

There is a High Court application before the North Gauteng High Court seeking to review the Riverside Office Park lease agreement.

In 2015/16, the recognition and procedural agreement that was entered into between the Electoral Commission and the National Education, Health and Allied Workers' Union (NEHAWU) during the previous financial year remained in place. In terms of this agreement, the terms and conditions for staff at the Electoral Commission would, in terms of section 12(5) of the Electoral Commission Act (Act 51 of 1996), as amended, be negotiated independently of the Public Sector Coordinating Bargaining Council.

2.2 Organisational environment

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

The Commission appoints the Chief Electoral Officer (CEO), who must be suitably qualified and experienced for the position. The CEO is Head of Administration and the Electoral Commission's Accounting Officer. The CEO also performs other duties and functions assigned to him or her by the Commission, the Electoral Commission Act or any other law. The CEO appoints officers and employees of the Electoral Commission in consultation with the Commission.

The organogram of the Electoral Commission provides for 1 033 positions. The staffing establishment provides for three Deputy CEOs (DCEOs) – one each for Corporate Services, Electoral Operations and Outreach. There is one Provincial Electoral Officer for each provincial office of the Electoral Commission.

The staff turnaround has remained stable with key personnel also retained.

The Commission approved that a comprehensive human resources review, that will include a review of the organisation's structure, be undertaken. Plans in this regard will take account of the need to ensure operational effectiveness and stability in the run-up to the 2016 Municipal Elections.

2.3 Key policy developments and legislative changes

There have been no significant changes to the Electoral Commission's legislative and other mandates since the publication of the previous annual report, except, as mentioned above, the need to obtain sufficient particularities of every registering voter who has no conventional address, to capture addresses before certifying the voters' roll, and

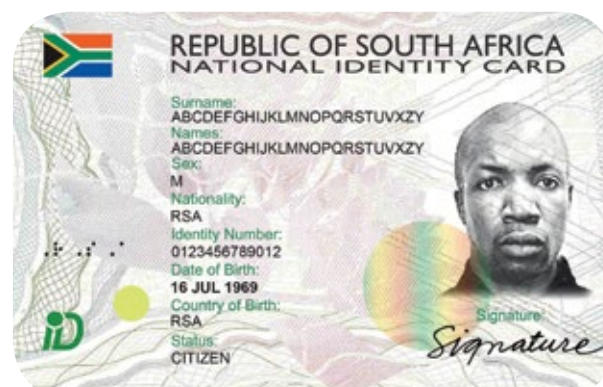
to provide these addresses to the political parties and candidates contesting an election (including by-elections).

Furthermore, the President assented to the Municipal Electoral Amendment Act (Act 1 of 2016) on 18 March 2016. These statutory amendments are intended to enhance administrative processes for the management of municipal elections.

The key amendments include the following:

- Amending the definition of 'identity document' to include smart-card identification documents
- Providing for the electronic submission of candidate nomination documents
- Providing for the electronic payment of electoral deposits
- Providing for the notification of relevant parties where a candidate appears on more than one list – and allowing an opportunity for parties to make amendments should they desire to do so
- Allowing for voters to receive a new ballot paper where they have made an error or changed their minds before depositing it in the ballot box
- Clarifying the provisions relating to the determination and declaration of the results of by-elections

The Electoral Commission is also in the process of amending the Voter Registration Regulations, 1998.



Smart-card ID

2.4 Strategic outcome-oriented goals

Table 1: The Electoral Commission's strategic outcome-oriented goals

Programme	Strategic Outcome-oriented Goal	Number of targets	Number achieved/exceeded	Number not achieved	Percentage achievement
Programme 1: Administration	Goal 1: Strengthening governance, institutional excellence and professionalism, and enabling business processes at all levels of the organisation	14	9	5	64.3%
Programme 2: Electoral Operations	Goal 2: Achieving pre-eminence in the area of managing elections and referenda, including the strengthening of a cooperative relationship with political parties	12	11	1	91.7%
Programme 3: Outreach	Goal 3: Strengthening electoral democracy	7	6	1	85.7%
Total		33	26	7	78.8%

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme 1: Administration

Programme 1 supports the achievement of Strategic Outcome-oriented Goal 1. It provides overall strategic management to the Electoral Commission, as well as centralised support services.

This programme focuses on strengthening governance by refining institutional governance arrangements (including the Commission's committees and structures), exercising oversight, monitoring, evaluation and support.

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

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

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

This programme provides enabling business processes and systems in respect of financial management, information and communication technology (ICT), human resources management and facilities management to efficiently and effectively support the core business of the Electoral Commission.

Strategic objectives

1

Exercise oversight (monitoring, evaluation and leadership) to ensure the effective implementation of the Electoral Commission's core mandate, as well as its strategic goals and objectives, aligned with the corresponding budget allocation.

2

Exercise oversight (monitoring, evaluation and support) by the provisioning of assurance and risk management services.

3

Build institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate.

4

Manage financial resources efficiently to protect the public image of the Electoral Commission as an accountable institution.

5

Provide and maintain a stable, secure and scalable ICT environment that meets the functional needs of the Electoral Commission to ensure the credibility of electronic electoral processes.

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

Table 2: Administration strategic objectives, key performance indicators, planned targets and actual achievements

Programme 1: Administration							
Strategic objective	Reference	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
1.1 Exercise oversight (monitoring, evaluation and leadership) to ensure the effective implementation of the Electoral Commission's core mandate, as well as its strategic goals and objectives, aligned with the corresponding budget allocation.	1.1.1	Number of governance committee meetings held per annum	45	54	50	(4)	Scheduled meetings could not take place due to urgent meetings with stakeholders regarding the Kham judgment.
	1.1.2	Number of Commission meetings held per annum	18	9	16	7	Target exceeded due to extraordinary meetings to discuss preparations for the 2016 Municipal Elections.
	1.1.3	Number of quarterly reports per annum reviewed by the CEO within 30 days after the start of the next quarter	4	4	4	-	-
	1.1.4	Number of annual reports published and tabled in Parliament each year	1	1	1	-	-
1.2 Exercise oversight (monitoring, evaluation and support) by providing assurance and risk management services.	1.2.1	Number of risk-based annual internal audit plans approved by the Audit Committee each year by 30 June in the financial year to which the plan relates	1	1	0	(1)	The risk-based annual internal audit plan was submitted to the Audit Committee on 29 April 2015, and elements were approved during the course of the year to allow work to continue. The overall annual plan was not, however, approved by the 30 June deadline set in the performance indicator. It was, however, approved during the course of the year.
	1.2.2	Number of quarterly internal audit progress reports per annum prepared by the Chief Audit Executive (CAE) and reviewed by the Audit Committee each year within 30 days after the start of the next quarter	4	4	2	(2)	Four quarterly reports were prepared and submitted to the Audit Committee during the course of the year. Due to the scheduling of Audit Committee meetings, the target dates were not met, however.
	1.2.3	Quarterly review and update of the Electoral Commission's strategic risk register by the Executive Risk Management Committee within 30 days after the start of the next quarter	4	4	4	-	-
	1.3.1	Number of permanent staff positions filled per annum (posts filled for part of the year will be counted on a pro-rata basis.)	933	90% (930 filled posts)	933	3	The recruitment process was expedited in some areas in view of the upcoming local government elections.

Table 2: Administration strategic objectives, key performance indicators, planned targets and actual achievements

Programme 1: Administration							
Strategic objective	Reference	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on deviations
	1.3.2	Number of bursaries awarded and paid per annum	114	80	67	(13)	Due to the preparation for the election, most employees decided not to register in the first semester of 2016.
	1.3.3	Number of permanent staff who attended internal and external short courses per annum	458	160	379	219	Microsoft Office training, which was planned for 2014/15, was postponed to 2015/16 as the State Information Technology Agency (SITA) was finalising the training material for the latest versions of Microsoft Office.
	1.3.4	Extent of compliance with the performance management system as evidenced by the existence of performance agreements and performance assessments for the year under review	100% of agreements in place for 2014/15. Performance assessments for 2014/15 were completed in May 2015.	100% of qualifying staff (930 staff members)	86% of agreements in place for 2015/16. 97% of performance assessments for 2015/16 were completed and moderated in May 2016.	(14%) performance agreements (3%) performance assessments	Performance agreements were delayed due to changes in the planning dates. The remaining 22 assessments will be completed and moderated in June 2016.
1.4 Manage financial resources efficiently to protect the public image of the Electoral Commission as an accountable institution.	1.4.1	Achieve an unqualified audit report on the annual financial statements each year	Unqualified	Unqualified	Unqualified		
	1.4.2	Twelve monthly management accounts per annum prepared, submitted to and reviewed by the Accounting Officer within 30 days after month end	12	12	12	-	-
1.5 Provide and maintain a stable, secure and scalable ICT environment that meets the functional needs of the Electoral Commission to ensure the credibility of electronic electoral processes.	1.5.1	Minimum annual percentage network and application systems availability measured in hours (system-generated report available)	99%	97% of 2 055 hours achieved	98.55% (2 173 hours achieved)	1.55%	Performance above target indicates a very stable ICT network and application system availability.
	1.5.2	Upgrade IT hardware and platform on a five-year cycle as per the approved ICT strategy and plan (Phase 1) by 31 March 2017 and Phase 2 by 31 March 2018	N/A in 2014/15	N/A in 2015/16	N/A in 2015/16	-	-

Commission Services

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

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

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

- a) Finance, Risk and Compliance Committee, convened by the Vice-Chairperson, Mr Tselane
- b) Human Resources Governance Committee, convened by the Chairperson, Mr Mashinini
- c) Elections Management Committee, convened by the Vice-Chairperson, Mr Tselane
- d) Research, Knowledge Management and Publications Committee, convened by Reverend Finca
- e) Outreach, Communications and International Relations Committee, convened by Reverend Finca
- f) Governance and Ethics Committee, convened by the Chairperson, Mr Mashinini.

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

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

- a) Mr Mashinini: KwaZulu-Natal, Mpumalanga and Northern Cape
- b) Mr Tselane: Gauteng, Limpopo and North West
- c) Reverend Finca: Eastern Cape, Western Cape and Free State

Office of the CEO

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

The annual report for the 2014/15 financial year was tabled in the National Assembly on 23 September 2015.

The implementation of the 2016 Annual Performance Plan (APP) was monitored regularly. To this end, the

CEO reviewed reports on the performance against targets set for performance indicators on a quarterly basis.

The Electoral Commission's Strategic Plan and 2016/17 APP were tabled in the National Assembly on 10 March 2016.

Internal Audit

Section 38 of the PFMA requires the Accounting Officer, among other things, to ensure that the Electoral Commission has and maintains a system of internal audit under the control and direction of an Audit Committee.

Accordingly, the purpose, authority and responsibility of the internal audit function is formally defined in its charter, which is consistent with the International Standards for the Professional Practices of Internal Auditing, as set by the Institute of Internal Auditors (IIA) and other requirements stipulated in Treasury Regulation 3 of the PFMA.

All members of Internal Audit are obliged to apply and uphold the principles of integrity, objectivity, confidentiality and competency under the IIA's formal code of ethics.

In accordance with these requirements the Commission has appointed a CAE to ensure the execution of its internal audit strategy and the annual risk-based operational plan through the co-sourcing model adopted by the Commission. The CAE is required to report to the Audit Committee on progress made in implementing the annual audit plan and any issues requiring their intervention towards ensuring the effectiveness of the system of internal audit operating at the Electoral Commission.

The contracts for the following co-sourced panel of internal audit service providers were not, as envisaged, renewed after they expired on 9 November 2015:

- a) KPMG Consortium, consisting of KPMG Services (Pty) Ltd, SAB&T BIG, Afripeak Management Services (Pty) Ltd and Indyebo Consulting
- b) SekelaXabiso Consulting/Matasis Consulting (Consortium)
- c) SAB&T Chartered Accountants/Nkonki Incorporated (Consortium).

This was due to the fact that the motivation for the initial renewal in November 2014 was premised on the finalisation of an internal audit work study agreed for prioritisation towards informing a timeous procurement process well before the end of that extended period. However, delays in the negotiation forum eroded the agreed time frames, resulting in the Bid Adjudication Committee advising the Accounting Officer against further renewal, which would result in irregular expenditure being incurred. Accordingly,

the Commission advised the Audit Committee that irregular expenditure should be avoided at all costs and, on recommendation by the Accounting Officer, the Audit Committee agreed that only the audit projects assigned and planned before the contracts ended on 9 November 2015 must be completed in line with existing work orders and in the scheduled audit window.

To this end, 10 of the 30 audit projects (37%) funded in the 2015/16 operational plan were completed. Three of the 30 audit projects could not be completed due to information requested for audit purposes not having been received during the audit window, and will be rolled forward to 2016/17. Seventeen of the 30 audit projects, where planning had not yet started by 9 November 2016, are earmarked for carry-forward as follows:

Table 3: Status of total resourced internal audit projects during 2015/16

2016 Audit Projects			
Completed	Rolled over	Earmarked for carry-forward	Total
10	3	17	30
33%	10%	57%	100%

The scope of all the internal audit projects undertaken for the year ended 31 March 2016 excluded any forensic audits or investigations, as these are conducted by and reported on by the Human Resources Department.

Given that less than half (33%) of the 2016 operational internal audit plan was implemented, the CAE is of the view that not enough work was completed to inform an overall opinion regarding the internal control environment of the Electoral Commission for the 2015/16 financial year.

Human Resources

Skills development

During the year under review, the Electoral Commission continued to embark on training and development interventions that would ensure that employees have the required skills, knowledge and competencies to reach their full potential.

Training programmes are designed to produce substantial benefits for both the Electoral Commission and its employees, and to this end, employees are exposed to development opportunities, such as the attendance of short courses, seminars, conferences, workshops and in-house interventions. Most of these activities took place at the Centre for Elections Learning at the national office, while others were attended in the various provinces. A total of 379 permanent employees participated in various training and development learning opportunities.

Table 4: Staff attendance of training courses and training sessions during 2015/16

	Description	Number of delegates
1	Basic Archives and Records Management	1
2	Facilitation Skills	100
3	Project Management	161
4	MS Excel Advanced	24
5	UNISA MDEA	3
6	The OHS Act and Responsibilities of Management	1
7	Employee Wellness Training	1
8	ITIL Foundation Course	1
9	Future of Media Workshop	3
10	SAPA Conference	5
12	CIMA Workshop	1
12	POPI (Protection of Personal Information)	3
14	The New Bids Committees, Supply Chain and Public Procurement Processes Workshop 2015	2
15	Investigating and Resolving Procurement Fraud	1
16	Public Sector Supply Chain Summit 2015	2
17	POPI Compliant Contracts and SLA Drafting	2
18	SAIMAS Workshop	1
19	Web Design	1
20	Human Resource Management	1
21	GovTech 2015 Conference	1
22	Training of Health and Safety Representatives	29
23	IDECO (Fingerprint) Training	2
24	UCT Foundations of Executive Coaching online short course	1
25	Compliance and its Role in Corporate Governance	1
26	Annual Labour Law Update	1
27	59th Annual IPM Convention and Exhibition 2015	2
28	Disability Awareness Session	26
29	Public Sector, Bid Specifications Writing	1
30	Payroll Managers' Tax Year End 2016 Seminar	1
Total		379

Bursaries

For the Electoral Commission to realise its full potential, it needs employees who have skills, knowledge and attributes that will enable them to perform their jobs optimally. The bursary scheme remains one of the key skills development vehicles, as it affords employees the opportunity to acquire post-matric qualifications. Invitations for applications to study in the following academic year are sent out towards the end of each calendar year.

A total of 99 applications were approved by the Bursary Committee, which is lower than the number of applications received in 2015 due to preparations for the 2016 Municipal Elections. Two of these approved applicants withdrew, 67 applicants registered for the first semester and the remaining 30 are due for registration in the second semester of 2016. Bursaries are thus provided to 10% of the total staff complement of the Electoral Commission for the 2016 calendar year.



Figure 2: Bursary applications in 2015/16

Internships

An internship programme is designed to afford workplace learning opportunities for graduates. The Electoral Commission is committed to providing such opportunities to unemployed graduates, bearing in mind that unemployment is one of the major challenges facing the country. These graduates are placed according to the needs of the Electoral Commission, while ensuring that they obtain maximum exposure to the various activities of the organisation.

Fourteen interns were appointed in various provincial offices and at the national office, and were exposed to working areas in line with their fields of study.

Table 5: Interns appointed during 2015/16

Office	Unit	Number of interns
KwaZulu-Natal	HR and Training	1
Limpopo	2 x Electoral Matters 1 x Outreach	3
North West	Financial Admin and Assets	2
Northern Cape	Financial Admin and Assets	1
National Office	2 x Procurement 2 x Logistics and Planning 2 x Budget and Compliance 1 x Electoral Matters	7
Total		14

Training material development for Electoral Staff

The training of electoral staff plays an instrumental role in guaranteeing the credibility of the elections, as these staff members are the ones to set up the voting stations, facilitate voting processes, count the ballots and complete the various forms, including the results slips. The training of electoral staff therefore remains a priority for the Electoral Commission in ensuring the efficiency and effectiveness of staff at voting station level during by-elections, main registration periods and the upcoming local government elections.

The Training Department, in conjunction with Electoral Matters, revised the training material in preparation for registration weekends for the 2016 Municipal Elections. The following material was printed and distributed during the period under review:

- Module 1: Introduction to the Electoral Commission
- Module 2: Registration Guide
- Registration Diary
- Area Manager Diary
- A supplementary training module on the newly introduced REC AS affirmation statement

The Staff Training and Development Unit, in consultation with Electoral Matters, reviewed the following training material for Voting Day:

- a) Module 3: Special Voting
- b) Module 4: Voting
- c) Module 5: Counting
- d) Voting Station Diary
- e) Voting Centre Diary
- f) Area Manager Diary

Various posters, which include, among others, the Code of Ethics and Customer Service Pledge, registration, voting and counting processes, and voting centres, were developed for both the registration and election events.

Financial Administration

Overview of funds received and spent

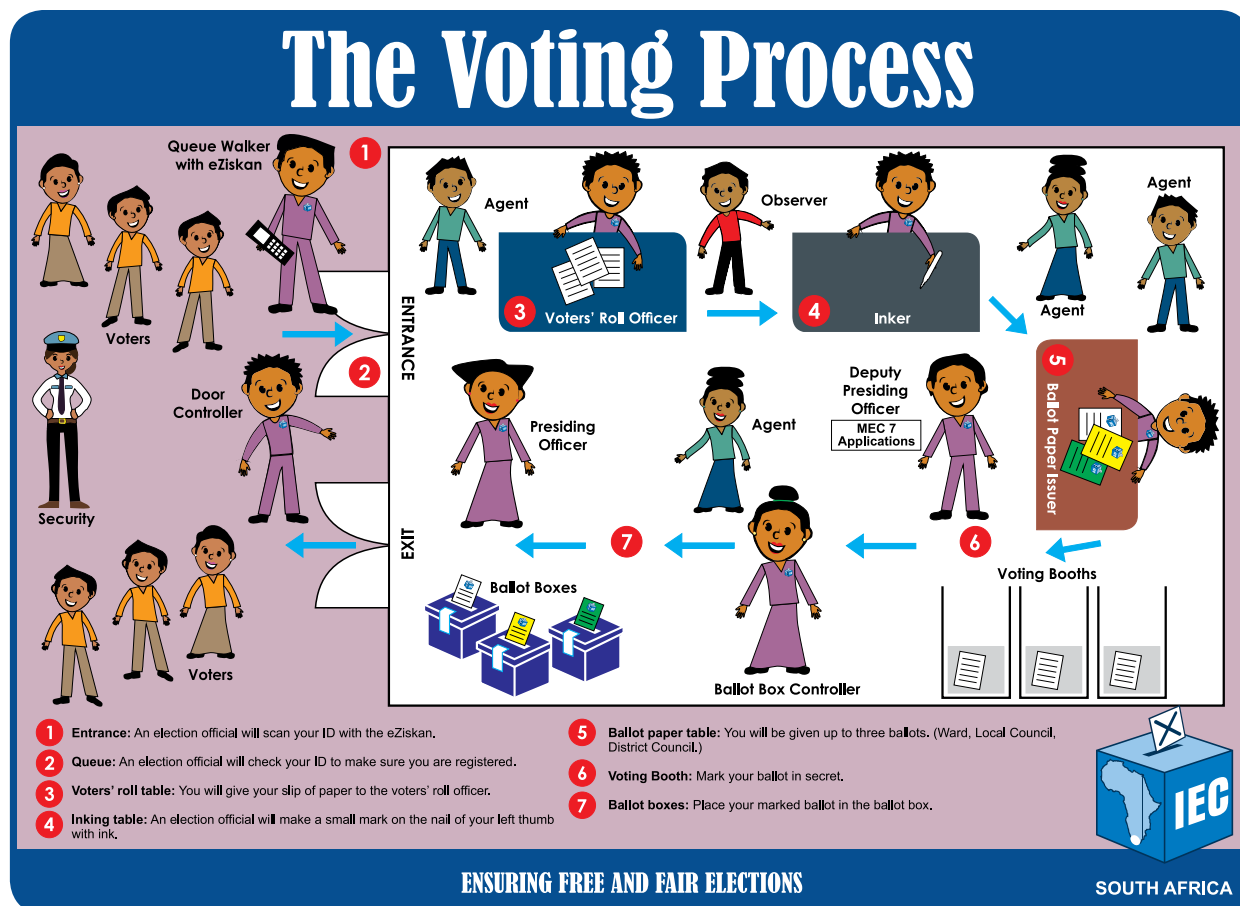
The Electoral Commission received R1.52 billion for the year under review by way of a Parliamentary Grant. Sundry income, consisting largely of interest earned of R16.6 million, brought the Electoral Commission's total income to R1.53 billion for the year under review. Expenditure reflected in the annual financial statements, on the accruals basis, was R1.41 billion, giving an accounting surplus of R119 million.

The Electoral Commission budgets on a cash basis in line with the allocations voted, and in the 2015/16 financial year, an amount of R281 million remained



Scanning the barcode on a voter's identity document during registration

unspent, which will be rolled over into 2016/17. Included in the rollover is an amount of R120 million of savings committed to funding the replacement of registration technologies (barcode scanners or zip-zips) in 2017/18. Two main registration drives were initially planned for the 2015/16 financial year. However, due to circumstances explained elsewhere in this report, the second registration drive was moved to a date early in the 2016/17 financial year. This resulted in an amount of R152 million, which had been ring-fenced for use in the new financial year, being added to the rollover.



A voting station poster showing the voting process

Expenditure is mainly influenced by the elections cycle, peaking during preparations for an election and then decreasing to fund regular activities in non-general election cycles.

Key elements of expenditure for 2015/16 include the following:

- a) Some R646 million was spent on employee costs. This represents an increase of 13% on the cost in 2014/15. This increase was mainly due to the appointment of expansion staff in preparation of the two main registration drives and the upcoming local government elections, as well as the increased civic education activities, which go hand in hand with increased electoral activities.
- b) Some R596 million was spent on goods and services, representing a decrease of 32% on 2014/15. The most significant element of the decrease is the R57.8 million spent on subsistence and travel costs for the 52 170 temporary staff employed at voting stations for the first registration weekend in March, in comparison to the R244.1 million spent for the approximately 211 000 staff members for the elections in the previous year.
- c) Some R59 million went to depreciation, amortisation and impairment. This is consistent with the amount charged in the previous year, reflecting the stability of the Electoral Commission's asset base.
- d) Property, plant and equipment to the value of R42.5 million was acquired during the year under review.

It should be noted that the recent Kham judgment in the Constitutional Court and the subsequent Mhlophe judgments in the Electoral and Constitutional courts had, and continues to have, a major impact on the Electoral Commission's already strained financial resources – especially in relation to the provisioning of addresses or the capturing of sufficient particularities of voters on the voters' roll with a view to further improving the quality of the voters' roll. The unforeseen and unavoidable expenses incurred in this regard amounted to approximately R18 million during the period under review. These costs, plus the additional costs that will be incurred in this regard in

2016/17, will form part of the 2017 adjustment budget processes with National Treasury.

Procurement and Supply Chain Management

The Electoral Commission continues to strive to achieve compliance with the PFMA and Treasury Regulations, and to enhance the efficiency and effectiveness of its procurement process. To further this aim, in the 2015/16 financial year, the following projects were undertaken:

- a) A review of the Commission's procurement policy to ensure alignment with supply chain management requirements. This included the continuous adjustment, where necessary, of procurement systems and processes
- b) The effective implementation and operational management of the electronic procurement system (eProcurement/Votaquotes)
- c) Targeting B-BBEE and small, medium and micro enterprises (SMME) suppliers to strengthen and enlarge the Commission's supplier database
- d) 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 PPPFA
- e) Reporting, as required, to National Treasury in respect of contracts entered into and supplier detail
- f) Skills development initiatives at the national, provincial and local offices for supply chain management functions

Contracts are awarded to the supplier who meets the minimum required functionality requirements for the goods or services required and has the highest number of preference points in terms of the provisions of the PPPFA and Preferential Procurement Regulations, 2011, as gazetted on 8 June 2011.

These regulations require service providers to submit valid original or certified copies of their B-BBEE status-level certificates from accredited verification agencies.

In determining the B-BBEE score, a number of elements are taken into account:

Table 6: B-BBEE scorecard elements

Element	Weighting
Ownership	25 points
Management control	15 points
Skills development	20 points
Enterprise and supplier development	40 points
Socio-economic development	5 points
Total possible points	105 points

Based on the overall performance of a measured entity using the Generic Scorecard and Qualifying Enterprise Scorecard, the measured entity will receive one of the following B-BBEE status uses with the corresponding B-BBEE recognition level:

Table 7: B-BBEE status levels

B-BBEE status	Qualification (based on points on the Generic Scorecard)	B-BBEE recognition level
Level 1 contributor	≥100 points	135%
Level 2 contributor	≥95 but <100 points	125%
Level 3 contributor	≥90 but <95 points	110%
Level 4 contributor	≥80 but <90 points	100%
Level 5 contributor	≥75 but <80 points	80%
Level 6 contributor	≥70 but <75 points	60%
Level 7 contributor	≥55 but <70 points	50%
Level 8 contributor	≥40 but <55 points	10%
Non-compliant contributor	<40 points	0%

The following preference point systems are applicable to all bids:

- The 80/20 system for requirements with a value of up to R1 000 000 (all applicable taxes included)
- The 90/10 system for requirements with a value above R1 000 000 (all applicable taxes included)

In terms of Regulation 5(2) and 6(2) of the Preferential Procurement Regulations, preference points are awarded to a bidder for attaining the B-BBEE status level of contribution in accordance with the table below:

Table 8: B-BBEE points allocations

B-BBEE status level of contributor	Number of points (90/10 system)	Number of points (80/20 system)
1	10	20
2	9	18
3	8	16
4	5	12
5	4	8
6	3	6
7	2	4
8	1	2
Non-compliant contributor	0	0

In 2015/16, 350 auctions were run on the eProcurement system, from which contracts with an estimated value of R121.8 million were awarded as set out below:



Figure 3: Auctions awarded by entity

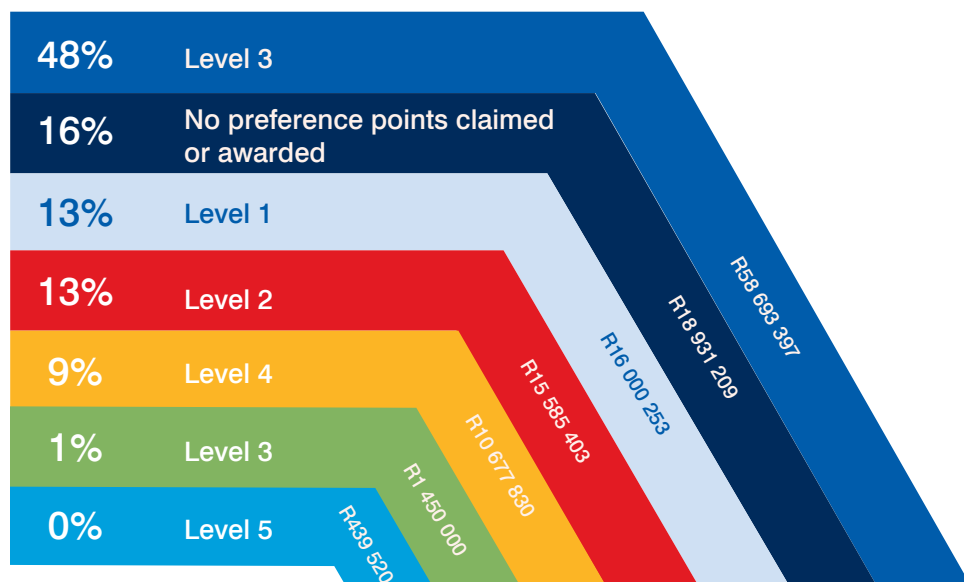


Figure 4: Auctions awarded by B-BEEE status

In addition, 34 contracts were awarded for competitive bids (tenders) to the value of R129 million including VAT, as set out in the figures below:

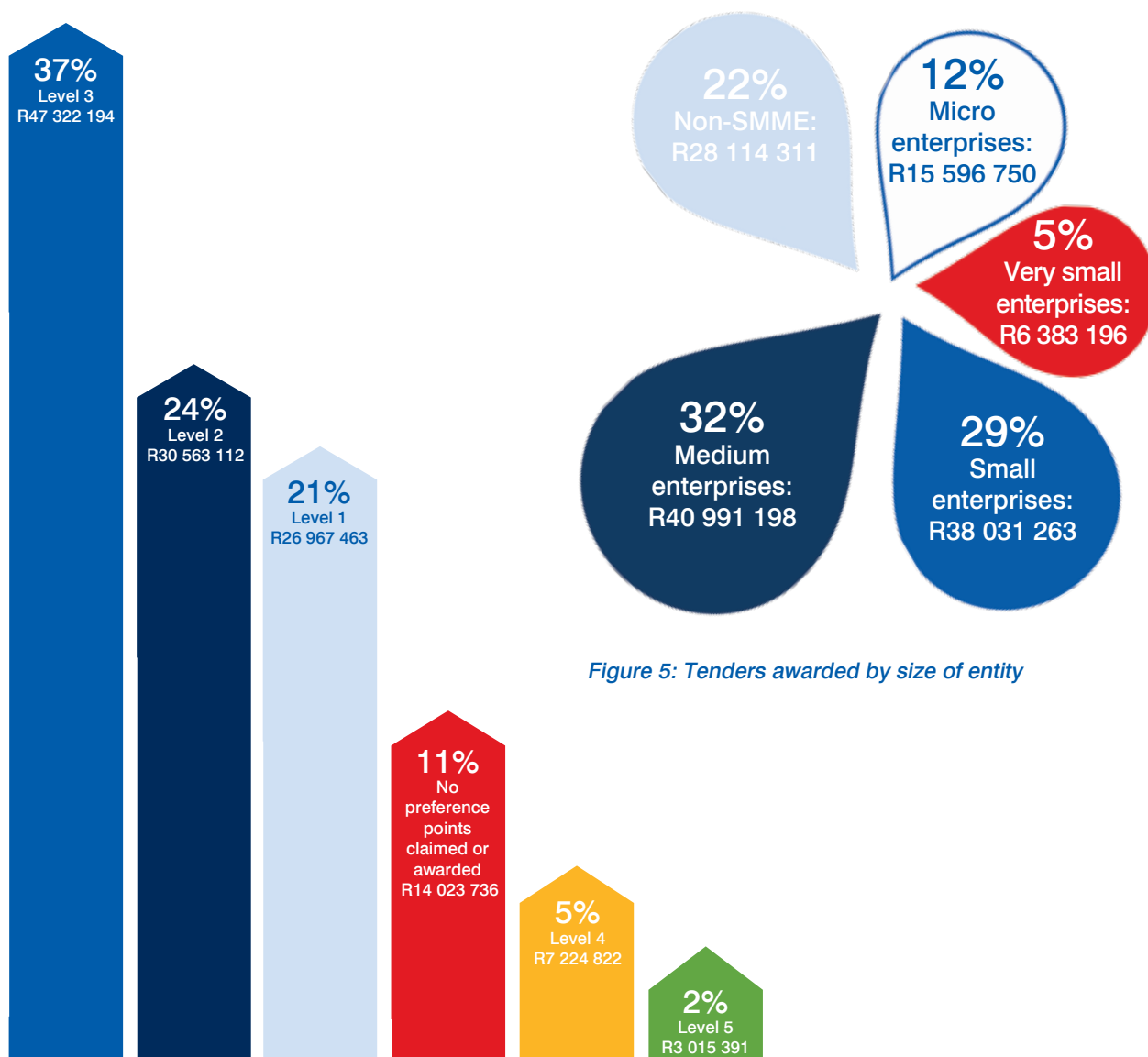


Figure 5: Tenders awarded by size of entity

Figure 6: Tenders awarded by B-BEEE status

Financial Administration

Work continues to enhance controls and processes to reduce the Electoral Commission's risk exposure. The following was achieved during the year under review:

- a) A number of financial policies were reviewed and updated.
- b) Monthly closures and monthly financial statements were completed.
- c) Compliance reports were produced monthly and have become an important follow-up tool and mechanism to improve the completeness and accuracy of monthly financial information.
- d) Monthly management accounts have assisted in monitoring expenditure more closely and managing cash flow.
- e) Contract administration and compliance processes relating to contract administration have been further enhanced, reducing the risk to the Electoral Commission.

Information and Communication Technology

The Department of Public Service and Administration (DPSA), in cooperation with the Government Information Technology Officer Council (GITOC), developed the Corporate Governance of ICT Policy Framework. This framework provides the political and executive leadership with a set of principles and practices that must be complied with, together with a phased implementation approach to be followed for the corporate governance of ICT. The Electoral Commission continues to work to improve the governance of ICT in line with this framework.

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

- a) Stable applications to support and enable all business processes
- b) Closely integrated systems aimed at ensuring a seamless flow of information across the different systems

- c) A stable and secure ICT infrastructure, a stable network at both wide area network (WAN) and local area network (LAN) levels and at the data centre
- d) Scalable network and background server capacity, with the required capability of supporting increased election activity and network traffic
- e) The management of risks, disaster recovery and business continuity processes
- f) Integrated online self-service facilities for citizen engagement through the internet using the websites, mobile applications, SMS, unstructured supplementary services data (USSD) and social media
- g) Ensuring that the Electoral Commission can take advantage of and fully utilise all available and relevant technologies in the ICT market
- h) Stable and effective open platforms – providing an integrated technology-enabled platform for all stakeholders through the Application Programming Interface (API)

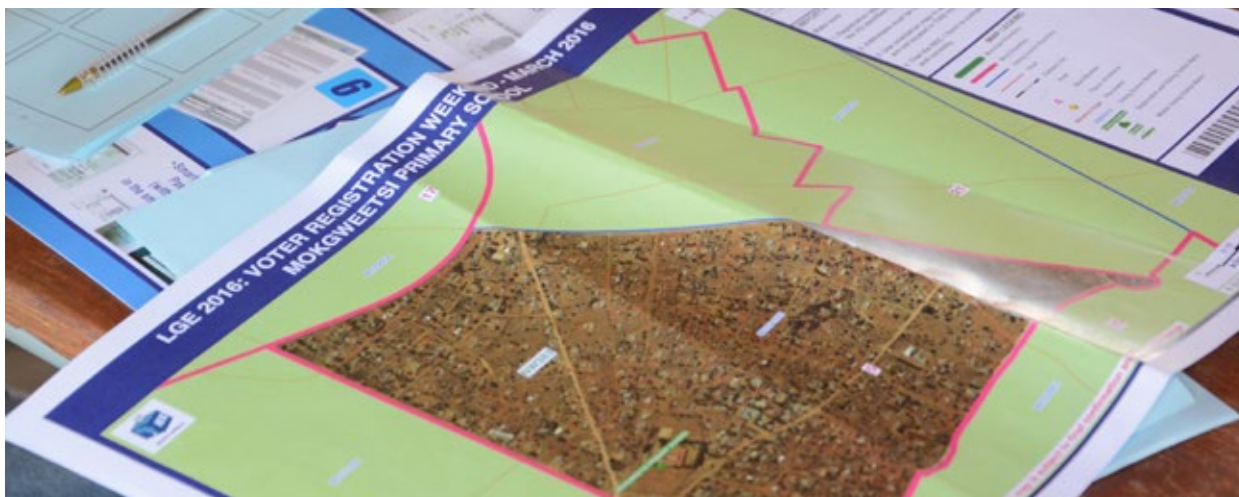
Specific projects are undertaken in accordance with changing and evolving business requirements in the various areas. During an election preparation year, the number of projects escalates and additional resources are sourced to service the additional workload.

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

Preparations for the 2016 Municipal Elections

Preparations for the 2016 Municipal Elections commenced with a number of activities and projects as outlined below:

- a) The demarcation of wards and municipalities by the MDB provides direct input into the delimitation of voting districts for municipal elections. The demarcation process presented particular challenges as there were several changes to municipal structures, which needed to be finalised before the ward demarcation could be concluded. Consequently, data was delivered to the Electoral Commission in several batches, which created operational difficulties. Map production was done under severe time constraints with a total of approximately 286 250 maps produced as follows:



Voting station orientation maps in use during the March 2016 voter registration weekend

Table 9: Maps produced

Description	Size	Quantity
Delimitation working maps	A1	4 400
Barcoded registration maps for registration events 1 and 2 (one original and two copies for each of the events)	A3	138 000
Voting station orientation maps for registration events 1 and 2 (one original and two copies for each of the events)	A3	138 000
Targeted communication maps for the two targeted communication and registration events	A3	5 600
Municipal orientation maps	A1	250
Total		286 250

- b) As a result of the Kham Constitutional Court judgment with respect to addresses, a new process was introduced to fast-track the capturing of addresses. In utilising a combination of ICR/OCR technologies and data capturers to provide quality assurance, addresses could be captured faster and more accurately. The Voter Registration System (VRS) was changed to integrate the new address-capturing process, and the layout of the voters' roll was modified to include addresses.
- c) The inspection of voters' rolls for the first registration weekend generated and distributed with addresses.
- d) A combination of new server capacity and virtualisation to provide scalable capacity, which enabled the hosting of the website internally for the registration weekends.
- e) Open data frameworks were adopted, which enabled open, online and real-time access to electoral data, including election results through APIs. The APIs enable the dissemination of data to all stakeholders in real time as and when they are required without human intervention and dependencies. Data is disseminated to a number of stakeholders (e.g. political parties, media, broadcasters, non-governmental organisations, special interest groups) through a number of APIs. In the first six days of March 2016, in the build-up to the first registration weekend, the following interactions were facilitated:

Table 10: Requests and interactions

Medium	Type of requests/interactions	Number of requests/interactions
Website	Am I registered?	372 356
	Voting Station Finder	139 496
	Who is my ward councillor?	11 867
SMS	Registration-related requests to 32810	628 387
API	Electoral Commission's Contact Centre	41 046
	Mobile applications	105 008
	News24	455 304
	Political parties	73 503
	USSD services	255 315
	Other sources	4 614
Total requests/interactions		2 086 896

System investigations and impact analyses are conducted regarding new systems, potential changes or enhancements required by line function departments. Subsequent to discussions and/or investigations, project charters are compiled for line functions to capture their requirements, and to provide the basis for further action. The following projects were undertaken in support of the elections:

Table 11: Projects and enhancements

Project name	System/project description	Enhancements
Electoral Staff System (ESS) Enhancements	The ESS manages the process of contracting (including the scanning of contracts), monitoring attendance and the payment of electoral staff during registration weekends and elections.	<ol style="list-style-type: none"> 1. Changed the rules and business processes for the payment of training days for electoral staff. 2. A new scanning application was developed and implemented to enable the zip-zips to be used to capture electoral staff attendance at voting stations. On docking, it gets directly uploaded onto the ESS, reducing the turnaround time for capturing attendance registers.

Project name	System/project description	Enhancements
Local Government Election (LGE) Results System	<p>The LGE Results System is the system used to process data for municipal elections, from results capture through to seat calculation and assignment.</p> <p>The system enables results capturing, auditing, results slip scanning, management, validation of captured data, reporting, seat calculation, seat assignment and the management of legislated objections.</p>	<ol style="list-style-type: none"> 1. Changes to the calculation of excessive seats in accordance with proposed changes in legislation. 2. Added request and approval processes for the printing of additional results slips.
Special Votes Application System	Special Votes Application – a system to be used for submitting applications for special votes online through the internet and by SMS.	<ol style="list-style-type: none"> 1. Made the special votes application form (MEC 35) available on the Electoral Commission's public website to allow for the capture/submission of special vote applications online. 2. For home visits, voters were able to locate their address on the public website by using some address-finding applications, such as Voting Station Finder or National Address Dictionary (NAD). If the address can be geo-positioned, then the application can be approved or declined automatically.
Party Liaison Committee (PLC) Meeting Documentation System	The system makes all documentations (such as minutes) for PLC meetings at all levels (national, provincial and municipal) accessible online through the website.	<ol style="list-style-type: none"> 1. Introduced management functionality, which set targets for the number of meetings to be held, provided a planning module for meetings, as well as a workflow process to internally quality check minutes before they are finally uploaded. 2. Improved reporting to facilitate the monitoring of uploads and achievements against targets for quarterly and annual reporting purposes. 3. Improved online access to the documentation through the website.
Online Candidate Nomination System (OCNS)	This is a new addition to the candidate nomination management process, which added an online self-service capability for political parties and candidates in general to capture information and candidates online through the website.	<ol style="list-style-type: none"> 1. Developed and implemented an online self-service facility for candidate nomination through the website that allows political parties and independent candidates to capture and submit their own candidates in a secure portal on the Electoral Commission's website and to upload barcoded supporting documentation. 2. Introduced an Online Party Administrator (OPA), who will administer access control to the party's online processing on the portal. 3. It will be utilised by political parties to provide appropriate rights for persons capturing candidate information. 4. It provides a secure payment portal and will be made available to enable parties to pay election deposits online.
Voter Registration System	Enhancement of voter registration process	<ol style="list-style-type: none"> 1. Created a module to enable voters to complete the REC 1 form online, print and submit the form for registration at the voting station, and at the same time harvest the address data for automatic upload after registration. 2. Provided the infrastructure to support the scanning and processing of REC 1 forms, ICR/OCR, quality assurance and the uploading of voter address data.
Data Centre Capacity Upgrade	Upgraded storage and backup infrastructure	Following an infrastructure capacity review, increased storage backup, server and virtualisation capacity to meet increased operational demands and provide for elections capacity requirements.
Network Capacity Upgrades	Upgraded network capacity	<ol style="list-style-type: none"> 1. Increased bandwidth in selected areas such as internet connectivity, backhaul to national office, line to the disaster recovery site, selected provincial electoral office (PEO) and municipal electoral office (MEO) sites. 2. Procured and implementing new switches.
Security Upgrades	Security upgrades	<ol style="list-style-type: none"> 1. Upgraded various operational productivity tools, including security monitoring <ul style="list-style-type: none"> Symantec Security Information Manager (SSIM) Symantec Control Compliance Suite (CCS) Cisco ASA firewalls Checkpoint management servers, firewalls and appliances Nagios monitoring

General ICT maintenance activities

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

- a) By-elections support: supporting all by-election activities. This includes supporting pre-by-election voter registration activities, and generating ballot papers and certified voters' rolls for by-elections. On the day of the by-election, support is provided for the capturing of results and scanning of results slips. The support is concluded with the generation of payment files and reimbursements.
- b) Support for ongoing registration application form (REC 1) scanning and linking to electronic voter records: the linked images are then used to capture the address (as per the registration form) onto the voter registration system.
- c) Ad hoc data requests: requests from outside parties are frequently made to the relevant line function departments for information pertaining to various election statistics. Once approved, this information is investigated, interpreted and consolidated by the appropriate ICT team, depending on the nature of the request.
- d) SAP stack maintenance and SAP Governance, Risk and Compliance (GRC) support pack upgrades performed. SAP also introduced and implemented an updated user interface.
- e) Daily system checks in all environments to ensure that all systems are available and stable before the start of business. This includes servers, switches, SAN devices and provincial uninterrupted power supplies (UPSs).
- f) Backing up all systems according to the schedules set by the organisation and removing tapes off-site on a weekly basis.
- g) Security monitoring of the ICT infrastructure. This includes malicious code and virus propagation, operating system vulnerabilities and exploits, user activity monitoring, network analysis and monitoring, daily audit and operational tasks.
- h) Monitoring all LAN and WAN activity on a daily basis to ensure high availability and adequate capacity.
- i) Maintaining a disaster recovery site of all business-critical systems.

Linking performance with budgets

Table 12: Overview of Administration Programme budget

Programme name	2015/16			2014/15		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	531 196	496 026	35 170	538 403	522 284	16 119

3.2 Programme 2: Electoral Operations

Programme 2 supports the achievement of Strategic Outcome-oriented Goal 2. This programme facilitates the participation of voters in regular free and fair elections, using sustainable systems, people and processes. Activities include the delimitation of boundaries, maintenance of the national voters' roll, and the planning and coordination of activities during registration weekends, on Election Day and special voting days, as well as for home visits.

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

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

Electoral Capacity-building provides for the salaries, allowances and training costs of all categories of electoral staff. The staff structure is expanded significantly during election periods when additional resources are imperative to cope with the huge workload and difficult logistical arrangements.

Strategic objectives

1

Manage free and fair elections in accordance with the applicable electoral timetables to ensure the efficient and credible execution of the mandate of the Electoral Commission.

2

Maintain an accurate national common voters' roll to ensure the credibility of elections.

3

Ensure efficient election delivery by the timely establishment of accessible and suitable voting facilities and processes and by applying infrastructure and logistical resources to meet operational demands for main electoral events.

4

Provide consultative and cooperative liaison platforms between the Electoral Commission and political parties to facilitate free and fair elections.

5

Strive for excellence at voting station level to enhance the integrity of elections and to enable the Electoral Commission to deliver on its mandate.

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

Table 13: Electoral Operations strategic objectives, key performance indicators, planned targets and actual achievements

Programme 2: Electoral Operations						
Strategic objective	Reference	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16
2.1 Manage free and fair elections in accordance with the applicable electoral timetables.	2.1.1	Average number of calendar days in which elections are conducted from date of vacancy in each year covered by this plan (The date of the vacancy is the date on which the Electoral Commission receives an up-to-date notification – unless the matter is still active in the court.)	62	Within 90 days	69 days	21 days
	2.1.2	Average number of calendar days in which to replace proportional representation (PR) seat vacancies in each year covered by this plan (The date of the vacancy is the date on which the Electoral Commission receives an up-to-date notification – unless the matter is still active in the court.)	16	Within 35 days	14 days	21 days
	2.1.3	Number of calendar days in which the election results for each election are announced by the Electoral Commission in each year covered by this plan	Three days after the 2014 National and Provincial Elections (NPE). One day for all 228 by-elections.	By-elections within 7 days	1 day	6 days
	2.1.4	Number of elections set aside in each year covered by this plan	0	0	7 ward by-elections	7 ward by-elections
2.2 Maintain an accurate national common voters' roll.	2.2.1	Number of registered voters reflected on the voters' roll as at 31 March each year	25 161 799	25 425 221	25 642 052	216 831
	2.2.2	Frequency per annum that the voters' roll is verified against the national population register (NPR) – updates are received from the Department of Home Affairs (DHA) monthly	12	12 verifications	12	-

For the year, it took an average of 69 days to fill ward vacancies – within the target of within 90 days. None of these by-elections exceeded the 90-day period, except to note that by-elections scheduled for 24 February 2016 and 16 March 2016 were postponed to the 2016/17 year following an order of the Electoral Court on 23 February 2016. This has been appealed. The 90-day period will begin on the date of the Constitutional Court order. (Note that an analysis of the average number of days is conducted from the date of the IEC being informed by the Municipal Manager of a ward vacancy until the date of the by-election.)

The average number of days, taken over the four quarters, was 14 days to fill a PR vacancy. This was below the target of 35 days. The departmental aim is to maintain the efficiency whereby PR vacancies are filled.

The target is determined by legislation. However, the Electoral Commission successfully announces results in less than the legislated time frames for by-elections.

On 30 November 2015, the Constitutional Court set aside the results of seven ward by-elections that occurred in the Tlokwe Local Council in 2013.

Extensive communication campaigns of the Electoral Commission yielded a higher-than-projected response by voters.

The voters' roll was verified according to the target set for the reporting period

Table 13: Electoral Operations strategic objectives, key performance indicators, planned targets and actual achievements

Programme 2: Electoral Operations						
Strategic objective	Reference	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16
2.3 Ensure the accessibility and suitability of voting facilities and processes by establishing infrastructure to meet operational demands for each electoral event.	2.2.3	Procure planned number (38 000) of programmable barcode scanner units or equivalent for voter registration on a seven- to ten-year cycle by 31 March 2018	N/A	N/A in 2015/16	N/A	No target for 2015/16.
	2.3.1	Number of contracted voting stations in place on main registration weekends or election days in the years where applicable	22 263	22 600	22 569	(31)
	2.3.2	Number of permanent warehouses, municipalities with local office facilities and full-time distribution services available to support main electoral events	10 / 234 / 1	10 / 234 / 1	10 / 234 / 1	-
	2.3.3	Timely sourced electoral materials in accordance with the approved materials requirement plan (MRP) and BOM, delivered to voting stations, for each main electoral event (i.e. NPE and LGE)	100%	100% of 22 600 voting stations achievement	100% of 22 569 voting stations achieved	100% of voting stations used for the first voter registration weekend achieved. Final quantity is dictated by MDB demarcation and subsequent delimitation.
2.4 Provide consultative and cooperative liaison platforms between the Electoral Commission and political parties to facilitate free and fair elections.	2.4.1	Number of liaison sessions with members of PLCs at national (1), provincial (9) and municipal (234) levels per annum	1 748) 17 national 69 provincial 1 662 local	(1 810 liaison sessions) 9 national 81 provincial 1 720 local	(2 433 liaison sessions) 13 national 70 provincial 2 350 local	Meetings with political parties were maintained at regular interval in light of the preparations for the general elections of municipal councils in 2016. In addition, a number of demarcation and other issues arose that required additional interactions with political parties.
	2.4.2	Funding of political parties – number of quarterly disbursements made to represented parties per annum	4	4	4	-
2.5 Strive for excellence at voting station level.	2.5.1	Number of electoral staff recruited and trained per annum	211 252	50 850	52 169	Additional 25% was provided due to the anticipated high turnover as a result of REC AS form



Electoral Matters

Voting district delimitation

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

Delimitation is undertaken for the following key reasons:

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

The number of VDs (and hence voting stations) has increased by 54% since the 1999 elections from 14 650 VDs in 1999 to 22 617 VDs as at 31 March 2016.

Provinces with the greatest increase in VDs over this period include the predominantly rural provinces of the Northern Cape, Mpumalanga, Eastern Cape and Limpopo. The number of VDs in provinces with large

urban concentrations of registered voters, such as Gauteng and the Western Cape, has increased at a more moderate rate. During the period under review, the number of VDs increased at a rate of 2% as a result of the review of VDs ahead of the 2016 Municipal Elections.

Table 14: Number of voting districts as at 31 March 2015 and 2016

Province	VDs: 31 March 2015	VDs: 31 March 2016
Eastern Cape	4 615	4 699
Free State	1 523	1 531
Gauteng	2 647	2 717
KwaZulu-Natal	4 746	4 794
Limpopo	3 066	3 112
Mpumalanga	1 678	1 744
North West	1 716	1 724
Northern Cape	694	710
Western Cape	1 578	1 586
Total	22 263	22 617

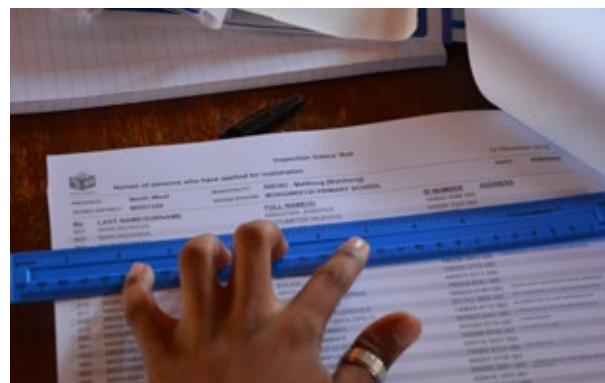
During the period under review, the MDB re-demarcated municipal boundaries and re-delimited ward boundaries in preparation of the 2016 Municipal Elections. Following a request by the Minister of Cooperative Governance and Traditional Affairs, the MDB reduced the number of municipalities from 278 in 2014/15 to 257. The effective date of the new municipal jurisdictions is the date of the 2016 Municipal Elections. The number of wards demarcated by the MDB for these upcoming elections stands at

4 392, an increase of 3% compared to the 4 277 wards for the 2011 Municipal Elections.

Subsequent to the completion of the re-determination of municipal boundaries and re-delimitation of wards for the 2016 Municipal Elections, the MDB provided these boundaries to the Electoral Commission, which in turn adjusted its VD boundaries and identified venues to be used as voting stations ahead of voter registration.

Voters' roll and registration statistics

The voters' roll for the reporting period opened with 25 161 799 voters on 1 April 2015 and closed with 25 642 052 voters on 31 March 2016. This represents a net increase of 480 253 registered voters (1.9%) for the reporting period.



A hard copy of the voters' roll for a VD in use at a voting station during the March 2016 voter registration weekend

Table 15: Changes to the voters' roll

Province	1 April 2015	31 March 2016	Percentage increase
Eastern Cape	3 205 666	3 255 857	1.6%
Free State	1 432 365	1 447 103	1.0%
Gauteng	6 001 134	6 074 498	1.2%
KwaZulu-Natal	5 088 686	5 220 860	2.6%
Limpopo	2 425 017	2 492 053	2.8%
Mpumalanga	1 844 015	1 873 248	1.6%
North West	1 657 216	1 681 245	1.4%
Northern Cape	592 702	604 106	1.9%
Western Cape	2 914 998	2 993 082	2.7%
Total	25 161 799	25 642 052	1.9%

The total registration activity in the period under review stands at 3 466 778 voters. This registration activity is a result of by-elections, school-based and continuous campaigns undertaken by the Electoral Commission, as well as the registration activity during the first registration weekend. Some 35% of total registration activity relates to citizens under the age of 29 years.

Table 16: Total registration activities during the period under review

Registration activity	≥16≤17	≥18≤19	≥20≤29	≥30≤39	≥40≤49	≥50≤59	≥60	Grand total
New registrations	61 517	231 349	384 171	82 133	34 726	25 276	23 395	842 567
Re-registrations in the same VD	1 950	21 274	234 435	237 971	253 329	276 048	389 688	1 414 695
VD moves	1 282	14 482	274 828	313 661	245 694	176 117	183 452	1 209 516
Grand total	64 749	267 105	893 434	633 765	533 749	477 441	596 535	3 466 778

KwaZulu-Natal had the most registration activity at 976 012, followed by the Eastern Cape at 545 633 and Gauteng at 533 243.

New registrations accounted for 24% of the total registration activity in the period under review. Registrations relating to changes to VDs of ordinary residence accounted for 35%, while re-registrations in the same VD accounted for the balance of 41%.

Table 17: Registration activity per province for the financial year

Province	New registrations	Re-registrations in the same VD	VD moves	Grand total
Eastern Cape	99 899	300 108	145 626	545 633
Free State	41 358	56 334	74 283	171 975
Gauteng	160 733	92 733	279 777	533 243
KwaZulu-Natal	205 250	511 629	259 133	976 012
Limpopo	99 104	168 983	97 370	365 457
Mpumalanga	55 182	70 233	79 294	204 709
North West	51 941	140 003	84 088	276 032
Northern Cape	21 230	30 865	29 808	81 903
Western Cape	107 870	43 807	160 137	311 814
Grand total	842 567	1 414 695	1 209 516	3 466 778

The voters' roll is verified against the NPR on a monthly basis to ensure that those voters who do not qualify to vote are removed from the voters' roll. This procedure enables the Electoral Commission to maintain an updated voters' roll for the purposes of elections.

Liaison with political parties

The Electoral Commission is bound by legislation to establish PLCs with parties at the national, provincial and municipal levels. In order for the established PLCs

at the three levels to serve as vehicles for consultation and cooperation between the Electoral Commission and the represented political parties, regular meetings are held as determined in terms of the targets set in the APP. During the 2015/16 financial year, the target set for the number of PLC meetings to be held at the national, provincial and municipal levels was exceeded with 546 meetings.

A breakdown of the meetings held is reflected in the table below:

Table 18: Party liaison meetings

Province	National	Provincial	Municipal	Total
Eastern Cape		1	343	344
Free State		8	205	213
Gauteng		5	53	58
KwaZulu-Natal		11	506	517
Limpopo		11	251	262
Mpumalanga		11	221	232
North West		2	236	238
Northern Cape		9	227	236
Western Cape		11	232	243
National Office	13			13
Total	13	69	2 274	2 356

Registration of political parties

In terms of the Electoral Commission Act, 72 political parties were registered for the reporting period. Of these, 29 parties were registered at the national level, while 43 parties were registered at the municipal level. This level of political organisations is reflective of the interest in the forthcoming general elections of municipal councils.

Proportional representation replacements

The Local Government Municipal Structures Act prescribes that a councillor elected on a PR basis from a party list onto a local council and who ceases to hold office must be replaced from the respective party list. The CEO must declare in writing the name of the person at the top of the party list. A party may

amend its candidate list within 21 days of the vacancy occurring. This nominated person on the respective party list must be declared elected within 14 days after the expiration of the 21 days.

A total of 286 PR replacements were processed between 1 April 2015 and 31 March 2016. The province with the highest number of councillor expulsions (12) was the North West. In terms of the causes of vacancies, the province with the highest number of councillor resignations (35) was Mpumalanga. KwaZulu-Natal reported the most deaths (13). Three PR replacements arose from the dissolution of municipal councils in KwaZulu-Natal.


A breakdown of these PR replacements due to vacancies is reflected in the following table:

Table 19: Reasons for PR vacancies

Province	Councillor expulsion	Councillor resignation	Death of councillor	Dissolution of Municipal Council
Eastern Cape	4	26	10	0
Free State	4	8	2	0
Gauteng	9	24	3	0
KwaZulu-Natal	9	21	13	3
Limpopo	6	13	4	0
Mpumalanga	8	35	9	0
North West	12	12	5	0
Northern Cape	3	11	3	0
Western Cape	8	20	1	0
Total	63	170	50	3

ARE YOU STANDING FOR ELECTION AS AN INDEPENDENT CANDIDATE?

WHO CAN CONTEST ELECTIONS?



Any registered voter in a municipality may stand for election as a ward councillor in that municipality. Candidates for registered political parties should consult the website (elections.org.za) for information about submitting candidate lists.

HOW TO NOMINATE AN INDEPENDENT CANDIDATE?



All independent candidates must submit the following documents to the local IEC office in the municipality where they are contesting elections:

- A completed and signed prescribed acceptance of nomination form (available on elections.org.za)
- A copy of their ID
- An election deposit of R1000 payable by bank guaranteed cheque or proof of payment for any other legislated method
- A prescribed form with signatures of at least 50 registered voters in the ward being contested
- An A5 colour photo (head & shoulders) of the candidate.


HOW TO SUBMIT A NOMINATION?



You can deliver the completed nomination forms and material to the local IEC office in the municipality where you are contesting the elections between 08:00 and 17:00 weekdays.

For the first time candidates can also submit their nominations online via our website. Find out more at elections.org.za or call 0800 11 8000 for help.

WHEN TO SUBMIT NOMINATIONS?



Nomination of candidates for the 2016 Municipal Elections will open as soon as the elections are officially proclaimed and will close about two weeks later. See press for details – and make sure you submit your nomination as early as possible.

NEED TO GET IN TOUCH WITH US?

- Simply visit our website (elections.org.za) which has all the information you need.
- Our Contact Centre (0800 11 8000) is now open between 07:00 and 21:00 every weekday – and over registration weekends.



YOU CAN ALSO CHAT WITH OUR CONTACT CENTRE STAFF:

- Via webchat: elections.org.za
- Via Twitter: @IECSouthAfrica
- Via Facebook: IECSouthAfrica
- Via email: info@elections.org.za
- Via USSD: *120*IEC# (*120*432#)



A print advertisement guiding independent candidates on how to contest the 2016 Municipal Elections

By-elections

A total of 93 by-elections to fill municipal council ward seat vacancies was conducted during the year under review. The number of by-elections conducted showed a decrease compared with the previous reporting period, as evident in the table below. The reason for the decrease in the number of by-elections in 2015/16 was due to a decrease in the dissolution of municipal councils compared to 2014/15.

Table 20: Comparison of the total number of by-elections across financial years

Financial year	Total number of by-elections
2009/10	139
2010/11	126
2011/12	76
2012/13	63
2013/14	134
2014/15	228
2015/16	93

Ward vacancies are required by law to be filled within 90 days of the date on which the vacancy occurs. On average, the 93 ward vacancies that arose in 2015/16 were filled within 69 days – well within the 90-day period required by law.

It should be noted that, following the Constitutional Court judgment of 30 November 2015, which set aside

the outcome of the Tlokwe by-elections of 2013, these by-elections were postponed to 24 February 2016.

However, in view of an order of the Electoral Court on 23 February 2016 pertaining to six ward by-elections in Tlokwe, the Commission decided to postpone nationally all 16 ward by-elections that were originally scheduled for 24 February 2016 and 16 March 2016.

By the close of the reporting period, the postponed 16 ward by-elections had not been conducted since the Electoral Commission was awaiting the outcome of an appeal to the Constitutional Court of the 23 February 2016 order of the Electoral Court. On receipt of the judgment from the Constitutional Court, the Commission took the decision that these by-elections would not be held in light of the short time frame before the general municipal elections.

The reasons for the 93 ward vacancies in the period under review are shown below.

Table 21: Reasons for ward vacancies in 2015/16

Reason for ward vacancy	Number (and percentage) of ward vacancies
Death of councillor	35 (38%)
Resignation of councillor	33 (36%)
Dissolution of municipal council	19 (20%)
Expulsion of councillor	6 (6%)
Total	93 (100%)

Details of the by-elections conducted are as follows:

Table 22: Number of by-elections from 1 April 2015 to 31 March 2016

Province	Number of by-elections	Number of voting districts	Number of wards	Number of registered voters
Eastern Cape	8	46	8	32 455
Free State	9	44	9	35 262
Gauteng	5	28	5	78 766
KwaZulu-Natal	34	164	34	135 198
Limpopo	6	29	6	25 243
Mpumalanga	6	20	6	27 655
North West	7	31	7	37 838
Northern Cape	2	4	2	5 236
Western Cape	16	51	16	87 249
Total	93	417	93	464 902

In terms of the Local Government Municipal Electoral Act, the Electoral Commission is required to announce election results within seven days of an election. The results of all 93 by-elections were announced within a day of the by-elections.

Logistics and Infrastructure

Electronic support systems

The Electoral Commission's Logistics Information System (LIS) is a computerised system used for the planning, monitoring, management and control of electoral material at voting station level. A comprehensive BOM is created for each electoral event. By registering the BOM on the LIS, detailed MRP lists are produced to enable the accurate procurement and distribution of electoral material.

The LIS information is accessible internally to all levels of the organisation (national, provincial and municipal), providing a transparent planning and monitoring process.

Distribution network

The Electoral Commission's logistics distribution network consists of 10 warehouses – one central warehouse controlled from the national office and one warehouse in each of the nine provinces.

The Electoral Commission maintains minimal permanent resources in support of this distribution network, in the interests of cost containment. Contracted-in resources, such as human capacity and vehicles, are utilised as and when needed at the appropriate scale. These resources and support activities were appropriately ramped up to handle the logistical demands of the national voter registration weekend on 5 and 6 March 2016.

Storage facilities for electoral material at the local (municipal) level are required for a limited time during peak election activity periods, such as national registration weekends and voting days. These can be in the form of a basic storeroom, storage shed or container, depending on the prevailing volume needs and offering of adequate security.

Local storage facilities were procured and activated for the national voter registration weekend on



An election official registering voters in Nelspruit, Mpumalanga, during the March 2016 registration weekend

5 and 6 March 2016. These facilities will be continued into the new financial year for the second voter registration weekend and for voting days for the 2016 Municipal Elections.

Programmable barcode scanner unit (PBSU) fleet

The Electoral Commission holds a fleet of 32 130 PBSUs (also known as zip-zips). The primary function of these units is to capture voter registration information. The units were procured in 2008, and have attained an advanced age by average technological norms. In order to ensure the sustained operational effectiveness of the units, the Electoral Commission has entered into a long-term maintenance contract with a specialised technical service provider, who will undertake the regular testing, servicing and essential maintenance of these units.

All the units were operationally prepared and successfully deployed to all voting stations for the national voter registration weekend on 5 and 6 March 2016.

The PBSUs will also be utilised at voting stations during the voting procedures of the 2016 Municipal Elections to capture and record voter participation details.

Logistical support for by-elections

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

Voting stations' infrastructure

Voting stations provide an essential platform for the delivery of elections. For the national voter registration weekend of 5 and 6 March 2016, the voting station network comprised 22 569 voting stations, which represents an overall increase of 1.4% when compared to the 22 263 voting stations that were utilised for the 2014 NPE.

Population growth, new settlement patterns and the requirement of improving voter accessibility, as well as the revised municipal demarcation data, continue to be the primary contributing factors to the increased voting station footprint.

One voting station was identified for each voting district, and operational details are recorded and regularly updated. Fixed and permanent



structures, especially schools, are preferred as voting stations. The voting station network as at 31 March 2016 comprised 65% schools, which exceeded the relevant operational target of 60%.

The practice of securing voting stations through standardised lease agreements between the Electoral Commission and landlords continues. The average rental for voting stations increased from R563 to R600 per event (to cover landlords' overheads, such as electricity, water and other domestic usage) when rentals for the current year are compared to those for the previous year.

A breakdown of the types of voting stations utilised for the national voter registration weekend of 5 and 6 March 2016 is illustrated in the table below.

Table 23: Voting stations

Province	Voting districts	Permanent voting stations	Schools	Temporary voting stations	Mobile voting stations
Eastern Cape	4 678	4518	77%	158	2
Free State	1 533	1339	44%	194	0
Gauteng	2 708	2386	53%	322	0
KwaZulu-Natal	4 795	4654	73%	134	7
Limpopo	3 111	2969	78%	142	0
Mpumalanga	1 728	1640	63%	77	11
North West	1 723	1612	56%	108	3
Northern Cape	710	683	33%	27	0
Western Cape	1 583	1 524	43%	57	2
Total	22 569	21 325	65%	1 219	25

The Electoral Commission, through various interdepartmental task teams and other joint initiatives, continuously seeks opportunities to enhance or develop facilities at existing voting stations, especially at schools and community centres, by cooperating with landlords, government departments and other stakeholders.

Regular surveys of the voting station network are conducted countrywide to keep abreast of key infrastructural developments, as voting stations provide an essential platform for the delivery of elections. Continued emphasis is given to improving

the quality of data available on the Electoral Commission's voting station database, which is used to inform infrastructure initiatives and programmes.

Voting station infrastructure was furthermore maintained and activated periodically to support by-elections as they occurred during the year. When a by-election is held in a ward, the voting stations in that ward are opened.

The table below illustrates the general challenges relating to the availability of key facilities at voting stations at the end of 2015/16.

Table 24: Voting station facilities

Province	Without electricity	Without water	Without sanitation	Without GSM coverage
Eastern Cape	798	548	354	9
Free State	279	225	244	0
Gauteng	465	433	434	0
KwaZulu-Natal	588	933	231	1
Limpopo	256	352	281	2
Mpumalanga	140	164	123	1
North West	173	174	169	0
Northern Cape	93	91	89	32
Western Cape	108	109	116	6
Total	2 900	3 029	2 041	51

Local (municipal) office infrastructure

The requirement for full-time resources to be permanently located at municipal level is necessitated by the day-to-day operational needs and election-related projects. In response to these requirements, the Electoral Commission has established over 266 local offices in 234 municipalities throughout the country to provide services to the public and to deliver election projects at a local level.

The Infrastructure Section is responsible for establishing and maintaining infrastructural capacity for these offices, which are typically staffed by electoral project coordinators (EPCs) and election support staff. To this end, a valid rental agreement is in place for every local office. Capacitation programmes are implemented to provide and maintain basic office equipment in the local offices.

The Electoral Commission appoints a local representative, known as the Municipal Electoral Officer (MEO), in each of the 234 municipalities in the country. MEOs are typically suitably qualified senior municipal employees, responsible for providing election-related assistance in their specific municipal areas. MEOs are paid an honorarium to compensate them for their

work. They facilitate cooperation between the Electoral Commission and their respective municipalities, and promote the functional relationship between the Electoral Commission and the municipality in the registration of voters and the management of elections. MEOs are not directly involved in day-to-day operational matters.

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

Electoral staff training

Electoral staff training with the Electoral Commission follows a cascading model. The national training team trains a cohort of master trainers from each province. These master trainers in turn train all the provincial trainers in their respective provinces. The trainers then train all electoral staff in the different wards and municipalities. The purpose of the national training meeting (the Imbizo) is to familiarise the master trainers with the content, approach and training methodologies that can be utilised during the training of electoral staff in order to standardise training across the country. National training sessions (Izimbizo) were conducted from 27 to 30 July and 7 to 11 December 2015 respectively.

Table 25: Registrations izimbizo

Province	Imbizo date	Registration training rollout date
KwaZulu-Natal	17–19 August 2015	2 September 2015
Western Cape	24–27 August 2015	18 September 2015
Mpumalanga	24–27 August 2015	28 September 2015
North West	7–11 September 2015	3 October 2015
Limpopo	13–16 September 2015	28 September 2015
Eastern Cape	20–24 September 2015	12 October 2015
Free State	28 September–2 October 2015	2 November 2015
Gauteng	28 September–1 October 2015	5 October 2015
Northern Cape	19–23 October 2015	26 October 2015

To assure the quality of training of electoral staff, assessment scores for presiding officers are captured on the ESS, and only those who have attained the stipulated level are given the opportunity to work at the voting stations.

A total of 52 169 electoral staff (registration supervisors, registration officers and area managers) were trained for the two scheduled registration weekends. Provinces started their electoral staff training rollout programmes between September and November 2015 in preparation of the scheduled main registration drives.

In total, 57 police officers from the South African Police Service (SAPS) were trained to train SAPS officers on the provision of security services at voting stations during the main registration drive, which took place in March 2016.

Electoral staff members were trained in preparation for each by-election. The training was conducted according to the published timetable. A total of 1 426 electoral staff members were trained in preparation for the by-elections in the year under review.

Linking performance with budgets

Table 26: Overview of Electoral Operations Programme budget

Programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
Electoral Operations	R'000	R'000	R'000	R'000	R'000	R'000
	727 540	664 216	63 324	882 915	926 544	(43 629)

3.3 Programme 3: Outreach

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

This programme encompasses Civic and Democracy Education, Communications, Knowledge Management, Media Relations, Research, and Stakeholder Relations Management.

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

Research optimises available data to inform organisational planning and other decision-making processes. It tracks emerging trends (perceptions and attitudes) in the social context that assist the Electoral Commission to determine its response. It also considers the latest developments in democratic elections administration.

Communications actively supports the Electoral Commission's efforts to strengthen electoral democracy and ensure free and fair elections. It works to protect and enhance the image of the Electoral Commission through strategic communication with its stakeholders, including political parties.

Stakeholder Engagement and Liaison engages and liaises with a set of stakeholders nationally

and internationally to promote knowledge of and adherence to democratic electoral principles, and promotes collaboration with the same when necessary.

Strategic objectives

1

Encourage the electorate's engagement with, and participation in, electoral processes in order to facilitate the right to vote as enshrined in the Constitution.

2

Achieve a low rate of spoilt ballots as a measure of the effectiveness of civic and democracy programmes

3

Enhance the Electoral Commission's reputation as a credible and trustworthy electoral management body.

4

Provide thought leadership in the field of electoral management and related fields as per Vision 2018 in order to strengthen electoral democracy.



Scenes from the launch of the 2016 Municipal Elections campaign in Midrand, Gauteng, in January 2016

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

Table 27: Outreach strategic objectives, key performance indicators, planned targets and actual achievements

Programme 3: Outreach						
Strategic objective	Reference	Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16
3.1 Encourage the electorate's engagement with, and participation in, electoral processes.	3.1.1	Number of voters who turn out in national and local government elections, as a percentage of registered voters in years when applicable	73.48%	N/A in 2015/16	-	-
	3.1.2	Number of civic and democracy education events held per annum	11 363	60 000 events	73 621 events	13 621 events
	3.1.3	Audience reach for television and radio democracy education content as evidenced by the relevant viewership and listenership figures in each year covered by the APP	3 148 164 viewers	5 million viewers and listeners	20 722 342 (3 978 342 Television Audience Measurement Statistics (TAMS) and 16 794 000 Radio Audience Measurement Statistics (RAMS))	15 722 342
	3.1.4	Public perception of the Electoral Commission, as evidenced by the media reports for each year covered by the APP	72% positive/neutral achievement	75% positive/neutral achievement	83.5% positive/neutral achieved	8.5%
3.2 Achieve a low rate of spoilt ballots.	3.2.1	Recorded number of spoilt ballots in national and local government elections in the years when applicable	1.35% of votes cast	N/A in 2015/16	N/A in 2015/16	-
3.3 Enhance the Electoral Commission's reputation as a credible and trustworthy electoral management body	3.3.1	Number of active formal partnerships in place during the year under review	52	30	33	33
	3.3.2	Number of meetings commissioners held with key stakeholders per annum	26	40	39	(1)
	3.3.3	Number of interactions/liaisons internationally achieved per annum	28	30	32	2
3.4 Provide thought leadership in the field of electoral management and related fields	3.4.1	The number of research and thought leadership initiatives achieved per annum	5	4	4	-
			Comment on deviations			
			Community mobilisation was boosted with the recruitment of democracy education facilitators (DEFs) in eight out of nine provinces.			
			Civic and Democracy Education radio and television programmes began broadcasting in February, with high viewership and listenership figures. These figures are reflected as TAMS and RAMS. The high radio listenership figures are as a result of six episodes of <i>Civic Matters</i> and three episodes of <i>Youth Ke Yona</i> on voter education content across 11 public radio stations.			
			Despite the fact that the Electoral Commission had a challenging year in terms of negative media coverage stemming from a number of issues, the overall public perception still remained positive or neutral.			
			More partnerships than anticipated entered into with community radio stations at provincial level. The wider reach is beneficial to the organisation.			
			One meeting with the Portfolio Committee was rescheduled to April 2016.			
			More requests than anticipated were received from international counterparts.			

Civic and Democracy Education

The right to participate in decisions that affect one's life is the crux of free, fair and credible elections. The International Covenant on Civil and Political Rights (ICCPR) of 1966 states that:

Every citizen shall have the right and the opportunity ... to take part in the conduct of public affairs, directly or through freely chosen representatives [and] to vote and to be elected at genuine periodic elections

Given that education and participation are inextricably linked, the Electoral Commission optimises participation and voter turnout by providing civic and democracy education on a continuous basis at all stages of the electoral cycle. This ensures that voters are knowledgeable, informed, ready and able to engage in electoral politics. Civic and democracy education (CDE) is defined as "training, dissemination and information efforts aimed at the building of a universal culture of democracy and human rights through the imparting of knowledge and skills and the moulding of attitudes". CDE also promotes political tolerance, mutual respect, freedom of expression and of association, as well as peace-building, and creates a conducive climate for free and fair elections.

Community outreach and mobilisation

The community outreach and mobilisation programme aims at providing continuous education in all communities across South Africa. It covers human rights and democracy education, and voter education. Community mobilisation intensifies before a general election, specifically to increase voter registration and voter participation, and to minimise spoilt votes. For the municipal elections, the Electoral Commission's internal capacity to conduct voter education is boosted through the engagement of temporary staff who drive the campaigns and who directly engage with diverse audiences and communities. The Electoral Commission also encourages and capacitates civil society organisations in order to augment its own capacity.

Temporary educational staff are recruited at both local municipality and ward level to conduct civic and voter education activities for communities. Municipal outreach coordinators (MOCs) were appointed in each local municipality, with four MOCs appointed per metro. DEFs were employed at ward level. Each DEF is assigned a maximum of three wards. DEFs are used in eight provinces, with the exclusion only of Mpumalanga, where CDE is delivered through partnerships with traditional leaders and councils. The table below shows the Electoral Commission's dedicated educational capacity for community mobilisation:

Table 28: Educational capacity for community mobilisation

Province	Number of outreach and training officers (OTOs) (permanent capacity)	Number of MOCs (expansion capacity)	Number of DEFs (expansion capacity)	Other
Eastern Cape	9	45	238	
Free State	6	24	105	
Gauteng	9	19	169	
KwaZulu-Natal	13	54	276	
Limpopo	5	26	181	
Mpumalanga	3	18	0	Partnerships with traditional councils
North West	4	19	165	
Northern Cape	5	27	108	
Western Cape	7	28	134	
Total	61	260	1 376	



The Electoral Commission held its third Schools Democracy Week in April 2015



The Schools Democracy Programme won first prize in the 'First Time Voter' category in the 2015 International Electoral Democracy Awards

Schools Democracy Week

One of the greatest challenges for the Electoral Commission is to get the youth to register and vote. The largest proportion of unregistered voters is found among the youngest age cohort (16–19 years), affirming the focus on the youth during registration and voting periods as of vital and continued relevance.

According to the 2015 Voter Participation Survey (VPS) very few South Africans (15%) are aware that they can register to vote from the age of 16. Accordingly, initiatives such as the Schools Democracy Week set out to address the profound challenge of increasing the youth vote and ensuring a culture of voting among the youth. The objectives of the week are to entrench registration, voting and active participation as fundamental civic responsibilities, to encourage, educate and empower learners to understand and participate in the democratic processes of the country, and ultimately to assist in deepening constitutional democracy in general. Schools Democracy Week is a joint endeavour between the Electoral Commission of South Africa and the Department of Basic Education. The third annual Schools Democracy Week, a component of a broader schools' democracy programme, ran from 20 to 27 April 2015 in schools countrywide. The timing of the week, culminating in Freedom Day on 27 April 2015 when South Africa celebrated the 21st anniversary of the first historic democratic elections, infused the topic of democracy with extra significance and context.

For the first time in 2015, braille and audio versions of teaching and learning material produced for Schools Democracy Week were provided to visually impaired pupils. The booklets were the following:

- a) *Becoming a Good Citizen: Electoral Democracy Toolkit* – for learners in secondary schools in the Further Education and Training band
- b) *Not Too Young – Teaching Electoral Democracy to Young South Africans* – for teachers and younger learners in primary schools in the General Education and Training band.

In another first for Schools Democracy Week, the Electoral Commission expanded the education drive beyond classrooms to all young South Africans via a television campaign. Audiences enjoyed a series of 10 short infomercials, which highlighted aspects of the registration and voting process to first-time voters

in a dynamic, fresh and funky way. The infomercials were also promoted via social media as part of a special focus on voter education via social media for the week. Certificates of participation were awarded to participating schools. This was supported by a social media campaign that also featured the film clips on YouTube, Facebook and Twitter.

Promotional material, including balloons, lapel badges and desk organisers, all featuring democracy messages for the youth, were produced and provided to provincial and regional offices for distribution as part of Schools Democracy Week activities.

Encouraging young people to register and vote in elections is a critical component to ensuring the continued credibility of future elections. It has been shown that a history of voting has a clear and positive impact on voting intention. Campaigns that successfully target the electoral participation of the youth create citizens that will return to the voting booth again and again. The Electoral Commission's education campaigns will continue to target the youth to promote civic engagement and electoral participation.

The Schools Democracy Programme was awarded first prize in the 'First Time Voter' category at the 2015 International Electoral Democracy Awards held in Mexico.

National briefing of organisations representing persons with disabilities

As a constitutional institution, the Electoral Commission has committed to meaningfully uphold and improve the universal rights of persons with disabilities to inclusive voting in public on equal terms with others without discrimination. As part of ongoing and focused engagement with persons with disabilities, a national briefing and consultative session was held with organisations representing persons with disabilities on 2 and 3 February 2016. Through robust and constructive discussion, a number of areas were raised for further attention.

These include improving universal access to voting stations, employment and procurement opportunities within the Electoral Commission, voting rights and legislative issues. The meeting agreed that the sector will meet with the Electoral Commission regularly to collaborate further, to address concerns, make recommendations and monitor progress.

National Coordinating Forum of Civil Society Organisations

The National Coordinating Forum (NCF) met on 11 and 12 January 2016. Members were briefed on readiness for the municipal elections. The Forum enables partnership and dialogue with civil society organisations (CSOs) for the sustainable impact of these programmes in the democracy, human rights, peace and elections sector, particularly among those who are active in civic and voter education, conflict management and election observation. The Forum provides a platform for consultative processes, mutual information sharing, the building of sensitivity to the

needs of particular target audiences and stakeholders, reflection on practice and improvement of practice.

Partnership with the Law Society of South Africa

Late in 2014, the Electoral Commission entered into a voter education partnership with the Law Society of South Africa (LSSA) and its Legal Education and Development (LEAD) section. The education initiative was aimed at young law graduates, undergraduates, young legal professionals and other young employees working in the legal sphere that fall mainly into the 20–29 age demographic. The new subject, Electoral Democracy and Voter Education (EDV), created by the Electoral Commission and LEAD, was added to the official curriculum of the Schools for Legal Practice in 2015. All school directors were duly trained to present the subject. Fifteen full EDV classes were presented in various schools across South Africa during the reporting period, with 715 students attending the sessions. A solid foundation for further implementation and expansion has been laid.

Seminar on the Enforcement of the Electoral Code of Conduct

The Electoral Code of Conduct outlines, inter alia, behaviour that is prohibited (e.g. hate speech, party rally disruption, political violence, threats and intimidation), recognises the authority of the Electoral Commission and encourages the involvement of persons with disabilities, women and the youth.

By signing the Code, political parties commit to its principles and values, and agree to play by the rules of the game as laid out in the Code.

As part of providing strategic and thought leadership, a seminar on the enforcement of the Electoral Code of Conduct was held on 28 January 2016. The keynote address on the role of the Electoral Court in the enforcement of the Code of Conduct was delivered by Judge Shongwe, Chairman of the Electoral Court and Judge of the Supreme Court of Appeal.

Survey on Career-pathing and the Development of Women as Part of Promoting Gender Mainstreaming in the Electoral Commission of South Africa

The Electoral Commission has, since its inception, committed itself to ensuring that women, in their diversity, participate without hindrances or inhibitions as voters, candidates and in the administration of elections. The full participation of women and men in political and decision-making processes and as staff within the electoral management body (EMB) is crucial.

To this end, a survey on career-pathing and the development of women as part of promoting gender mainstreaming in the Electoral Commission of South Africa was commissioned in the 2015/16 financial year. This report is in the process of being finalised and will be ready in the new financial year.



Voters registering and re-registering at a temporary voting station in Rabie Ridge, Johannesburg, during the March 2016 registration weekend

Voter Participation Survey 2015/16

The 2015/16 VPS represents the latest in a series of nationally representative, cross-sectional surveys undertaken on behalf of the Electoral Commission.

The intention of the survey series is to inform and guide the Electoral Commission in its plans, policies

and practices by evaluating voting behaviour in South Africa and ascertaining people's interest in and perceptions of forthcoming elections, and how these have been changing over time. The 2015/16 VPS was conducted by the Human Sciences Research Council (HSRC) between October and December 2015, and provides important insights ahead of the 2016 Municipal Elections.

The sample consisted of 500 population census small-area layers as primary sampling units, stratified by province, geographical subtype and majority population groups. A total of 2 976 individuals aged 16 and older were interviewed in households geographically spread across the nine provinces. The data was weighted and benchmarked to Statistics South Africa's mid-year population estimates for 2015 to ensure that the results were representative of the population older than 15 years.

The survey included a range of questions focusing on the general outlook of the voting age public towards different aspects of democracy and politics in the country. This is important, as previous VPS rounds have shown that this impacts fundamentally on electoral participation. Some of the highlights include the following:

Political attitudes ahead of the 2016 Municipal Elections

Democratic ideals: South Africans believe fundamentally in the salience of free and fair elections as a cornerstone of democracy. When asked about the importance of various core democratic principles, free and fair elections were rated highest by the public, with an average score of 81 on a 0–100 scale. This is consistent with what was evident in the Electoral Commission's 2012 State of Democracy Survey and the 2013 VPS.

Perceptions regarding the functioning of democracy: A range of critical evaluations are generally evident in relation to the manner in which democracy is seen to be performing. In 2015, a greater share of the public was dissatisfied with democracy than satisfied (40% vs. 45%). Dissatisfaction has been rising steadily since 2004

and exceeded levels of satisfaction from 2011 onwards. Similarly, the share indicating that the country is going in the wrong direction rose from 46 to 63% between late 2010 and 2015, although the picture remained fairly stable between the 2013 and 2015 VPS rounds.

Confidence in institutions: From the 2015 results, it is apparent that trust in a number of political institutions has increased marginally from the fairly low levels observed in previous survey rounds. Trust in national government rose from 44 to 46% between 2013 and 2015, from 44 to 47% for provincial government, and from 34 to 36% for local government. While confidence in these spheres of government has shown distinct ebbs and flows since the late 1990s, we find that despite the slight gains, these figures are lower than was observed ahead of the 2000, 2006 and 2011 municipal elections. In 2015, only around a quarter expressed trust in political parties and politicians. Trust in the Electoral Commission dropped significantly between 2009 and 2014 (from 72 to 55%), reflecting general political disillusionment rather than electoral management performance. Yet, this increased to 66% in 2015, making the Commission the most trusted institution after religious institutions and the SABC.

Municipal performance: With respect to municipal performance, in 2015, only 30% of citizens were satisfied with their municipality, while 21% were neutral and 48% were dissatisfied. This represents a more sombre view than was the case ahead of the 2011 municipal elections. Satisfaction with the provision of basic services plays a clear role in shaping such assessments, as do views on the extent to which one's municipality is living up to the Batho Pele principles. Redress and value for money appear to be the areas of greatest concern.

Table 29: Levels of trust in political, social and governmental institutions, 2003–2015

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Electoral Commission	63	69	65	68	..	67	72	71	61	60	63	55	66
National government	57	69	64	59	52	52	61	52	51	46	44	41	46
Provincial government	52	63	59	54	..	..	..	..	..	..	44	..	47
Local government	45	55	48	44	34	38	40	36	36	34	34	32	36
Parliament	57	65	59	55	46	48	56	49	45	44	37	33	38
Political parties	..	..	42	37	27	29	34	29	29	25	25	22	26
Politicians	..	..	..	32	22	26	29	24	25	21	22	18	25

Sources: HSRC South African Social Attitudes Survey (SASAS) 2003–2012, 2014; Electoral Commission VPS 2013, 2015.

Note: Figures shaded in green indicate year-on-year improvements in trust, while figures in red represent year-on-year declines in trust. Cells that are not shaded represent unchanged levels of trust or an absence of data to assess year-on-year changes.

Registration and voting experience

Voter registration: Almost all registered voters (96%) found the registration process easy, with the average reported time it took to register being 12 minutes. Despite this, a minor share of potential voters (5%) refuse to register, mainly on the grounds of political disillusionment. Administrative barriers only play a nominal role, and the possession of a legitimate

bar-coded ID or identity card no longer presents as a notable factor underlying registration.

Satisfaction with most recent voting experience: Voters were extremely positive in their assessment of their last voting experience. More than 90% of voters were satisfied with the time it took to get to the voting station, instructions and signage, and the secrecy of their vote. Voters were least satisfied (79%) with the

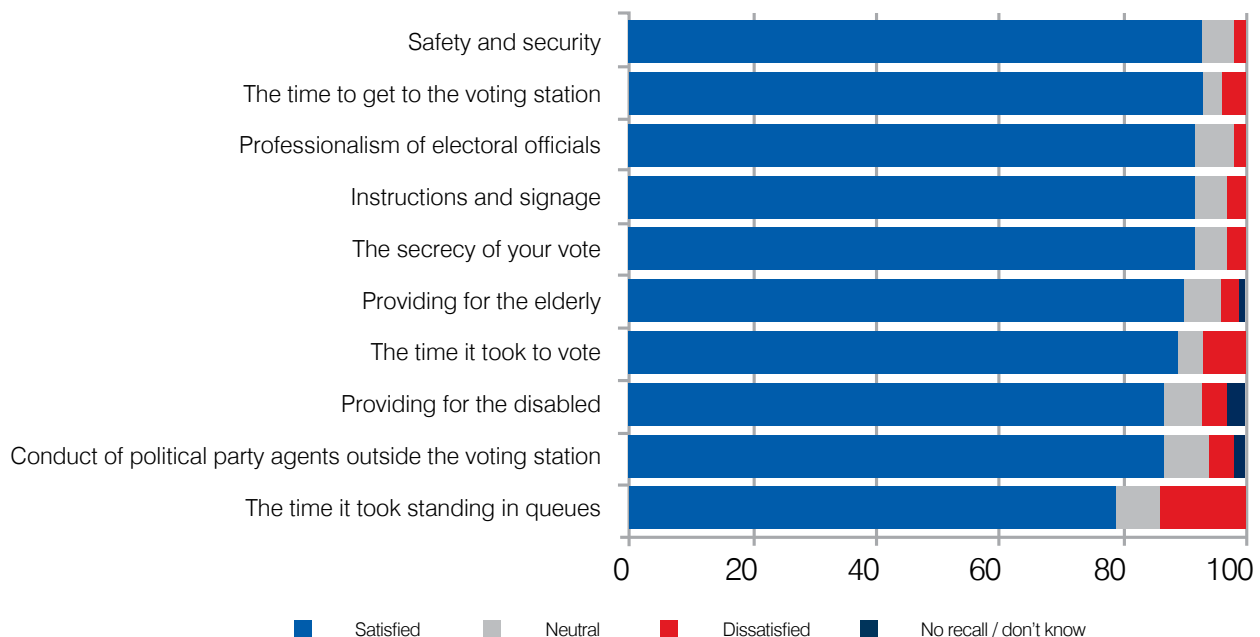
time that they had to queue. Nonetheless, satisfaction with queues has improved appreciably since 2008, when only 65% of voters were satisfied with the queuing time. This reflects favourably on the continued efforts of the Electoral Commission to improve the voting experience with each successive election.

Election Commission staff: Staffing represents a critical element in any election. The 2015 survey found that voters were generally very complimentary towards the conduct of Electoral Commission officials, with more than 90% of voters rating the officials as being capable in terms of their ability to communicate in different languages, being helpful and friendly, easily identifiable, efficient, professional and impartial. More than 80% of voters also felt that officials were punctual, could solve conflicts and were able to effectively prevent irregularities from occurring.

Secrecy of the vote: There was again almost universal satisfaction (95%) among voters about their ability to cast their ballot in secret at their voting station. The majority (more than 90%) was also satisfied with access to the voting stations, safety and security, the availability of facilities, materials and equipment, the neatness and cleanliness of the voting stations, as well as the conduct of observers and political party agents at the voting stations.



First-time voters registering at Joubert Park, Johannesburg, during the March 2016 registration weekend



Note: The figure presents levels of satisfaction with different aspects of the last voting experience for those who have voted previously.

Figure 7: Satisfaction with the general voting experience (row percentage and mean)

Voting attitudes

The 2015/16 VPS also examined public attitudes towards different aspects of politics and voting, since such orientations are likely to inform electoral turnout behaviour. The findings revealed that there is an entrenched view that citizens have a duty to vote, expressed by 78% in 2015, with similar shares in both 2010 and 2013. Three-quarters (73%) of the voting-age population reported that they vote because they believe it makes a difference, while close to two-thirds (63%) feel their vote is important in determining

the provision of high-quality basic services. Again, these figures have remained broadly constant since 2010. The public is, however, less convinced that the elected look after the interests of the public once they have been voted into power.

South Africans express a resolute intention to vote, with 78% of the voting-age public reporting that they would vote if there were a municipal election tomorrow, compared to 16% that stated they would abstain and 6% that were uncertain. These figures are similar to those recorded in 2010 and 2013.

The reasons offered for abstention are predominantly related to disinterest and disillusionment (72%), with administrative barriers playing a much smaller, secondary role (21%).

In terms of views on protest action during elections, 29% stated that it was acceptable for voters to protest outside their voting stations to register unhappiness with their municipality, while 10% felt it acceptable for voters to vandalise voting stations as an expression of municipal discontent.

Voting and special needs

When planning national and municipal elections, the Electoral Commission places a strong emphasis on ensuring that voting procedures adequately cater for the particular needs of all groups, especially those of the elderly and the youth, women and persons with disabilities. Approximately 80% of the public believed that these special needs were being effectively addressed by the Electoral Commission.

Age and voting procedures: Satisfaction with the extent to which voting procedures address the needs of the elderly is higher on average among older citizens. This is encouraging since these are the direct beneficiaries of such provisions. Furthermore, the evaluations of senior citizens in this regard have shown distinct improvements since the 2013 VPS.

Persons with disabilities: Similarly, the majority of people with disabilities thought that the Electoral Commission was effectively taking their needs into account in voting procedures.

Getting the youth involved: Eight in ten adult South Africans think that the youth should take a lead in voting, and be encouraged to participate in elections. In addition, 81% voiced support for schools to play a key role in educating young people about elections.

Public backing for civic education is therefore widespread, and has increased between 2010 and 2015.

Outreach

Nearly two-thirds (63%) of South Africans are familiar with the Electoral Commission. Of these, a majority (60%) are aware that the Electoral Commission undertakes voter education programmes prior to an election. Over a quarter (26%) report they have received voter education information from the Electoral Commission. Most of those receiving information via voter education campaigns were very satisfied with the language used (93%), communication style (90%), content (91%), presentation style (87%), material used (88%), media used (87%) and channel used (77%).

The survey contained several items on the sources from which the South African public obtains information concerning the Electoral Commission and about voting in general, as well as what they believe to be the preferred channel through which to receive information on voting. Among those who had at least some knowledge of the Electoral Commission, 85% say they access information on the institution through

a television channel, while 68% receive information via the radio. Close to two-fifths rely on newspapers and posters (59 and 54% respectively), with the next largest source being personal contacts (i.e. family, relatives and neighbours). In terms of where adult South Africans usually get voting information, the pattern is as anticipated, with television (73%), radio (48%), newspapers (41%) and posters (29%) dominating. Approximately a quarter mentioned personal contacts, while 6% mentioned the internet and 5% mentioned social media. Respondents were also asked to indicate their preferred source of information about voting. In response, the majority (60%) nominate television, with a further 12% opting for radio-based information. The results suggest that television is the most common medium through which South Africans are accessing political content.

Partnership with SABC Education

Increased visibility of the Electoral Commission and its outreach programmes is one of the key components of the vision of the Commission. Through its partnership with SABC Education, the Electoral Commission is able to run mass multimedia civic and voter education campaigns with maximum reach to the general public and to the electorate. These campaigns provide wall-to-wall coverage and generate high listenership and viewership figures. Through the development of innovative and customised electoral democracy content, they provide citizens with the means to discuss, debate and educate themselves about key issues of constitutional democracy.

Television is the most common medium through which South Africans are accessing political content. Both radio and television are best suited to reaching the widest possible audiences to disseminate information and deepen discourse around issues of democracy. The Electoral Commission needs to ensure that no citizen should be marginalised or discriminated against in the dissemination of information towards this end. The latest VPS reveals that television and radio are potent vehicles for voter education and remain the preferred sources of information on elections and the Electoral Commission's role in promoting constitutional democracy. During the reporting period, attention was focused on the production of programming for the municipal elections.

Programmes include the following:

- a) Public radio:
 - (i) *Civic Matters* – 13 stations
 - (ii) *Youth ke Yona* – 18 stations
- b) Television
 - (i) *The Right to Win* – Series 3: democracy game show
 - (ii) *Walala Wasala* – Series 3: youth magazine show
- c) Radio and television voter education fillers (voter education messages on SABC1, 2 and 3)

Walala Wasala (television), *Youth ke Yona* and the *Civic Matters* talk show radio slots began transmission in March. Most programming will be broadcast from April 2016 to reach audiences closer to the elections.

MY TOMORROW IS IN MY HANDS

REGISTER TO VOTE

5-6 MARCH | 8AM-5PM

elections.org.za | *120*432# | 0800 11 8000



MY TOMORROW IS IN MY HANDS.

REGISTER TO VOTE
5-6 MARCH | 8AM-5PM
elections.org.za | 0800 11 8000

REGISTER TO VOTE

5-6 MARCH
8AM-5PM

0800 11 8000
elections.org.za



REGISTER TO VOTE

5-6 MARCH | 8AM-5PM

WHO SHOULD REGISTER?

South African citizens, 16 years or older (you have to be 18 or older to vote).

WHAT DO YOU NEED TO REGISTER?

An SA ID document (green bar-coded ID, smart-card ID, or a valid temporary identity certificate).

WHERE TO REGISTER?

Register at your local voting station where you live.

To find out where your voting station is:

- Visit www.elections.org.za
- Call 0800 11 8000 (7am – 9pm)
- Dial *120*IEC# (*120*432#)

ARE YOU ALREADY REGISTERED?

SMS your ID number to 32810 to check your registration details (SMS charged at R1).

ENGLISH

Find us on:



FINAL REGISTRATION WEEKEND

9-10 APRIL | 8AM-5PM

WHO SHOULD REGISTER?

South African citizens, 16 years or older (you have to be 18 or older to vote).

WHAT DO YOU NEED TO REGISTER?

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ARE YOU ALREADY REGISTERED?

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ENGLISH

Find us on:



MY TOWN IS IN MY HANDS

REGISTER AND VOTE
elections.org.za | 0800 11 8000

ARE YOU STANDING FOR ELECTION AS AN INDEPENDENT CANDIDATE?



HOW TO SUBMIT A NOMINATION?

Any registered voter in a municipality may stand for election as an independent candidate for the municipality. Candidates for independent candidates must submit the nomination form to the relevant municipality office by the deadline.

HOW TO NOMINATE AN INDEPENDENT CANDIDATE?

All independent candidates must submit the following documents to the relevant municipality office by the deadline:

- A nomination form signed by the candidate
- A signed affidavit of the candidate
- A signed affidavit of the candidate's spouse or partner for any other registered voter
- A signed affidavit of the candidate's spouse or partner for any other registered voter
- A signed affidavit of the candidate's spouse or partner for any other registered voter



WHEN TO SUBMIT NOMINATIONS?

Nominations of candidates for the 2016 Municipal Elections will open at 08:00 on the election day and close at 17:00 on the election day. The deadline for nominations is 17:00 on the election day.

For the full list of candidates, visit our website: www.elections.org.za or call 0800 11 8000 for help.

For the full list of candidates, visit our website: www.elections.org.za or call 0800 11 8000 for help.

NEED TO GET IN TOUCH WITH US?

- Simply visit our website elections.org.za which has all the information you need.
- Our Contact Centre (0800 11 8000) is now open between 07:00 and 21:00 every weekday – and our registration assistance (see press for details).

CALL 0800 11 8000



YOU CAN ALSO CHAT WITH OUR CONTACT CENTRE STAFF:

- Via website: elections.org.za
- Via Twitter: @IECSouthAfrica
- Via Facebook: IECSouthAfrica
- Via email: info@elections.org.za

MY TOMORROW IS IN MY HANDS

REGISTER TO VOTE
5-6 MARCH | 8AM-5PM
elections.org.za | 0800 11 8000

MUNICIPAL ELECTIONS 2016

Find us on: elections.org.za | [Facebook](https://www.facebook.com/IECSouthAfrica) | [Twitter](https://twitter.com/IECSouthAfrica)

MY FUTURE IS IN MY HANDS

REGISTER TO VOTE

5-6 MARCH | 8AM-5PM

elections.org.za | *120*432#
0800 11 8000



Communications

Communications plays a vital role in promoting electoral democracy through providing information, facilitating education, creating awareness and encouraging action in support of the objectives of the Electoral Commission.

The year under review was a challenging year for the Electoral Commission in terms of reputation management and media liaison as it was dominated by a number of significant events that impacted on the reputation of the institution. These required concerted and coordinated initiatives to help manage and protect the image of the organisation. Among these events were the ongoing legal challenges in the Electoral Court and Constitutional Court regarding the Tlokwe by-elections. These legal challenges culminated in a ruling against the Electoral Commission by the Constitutional Court on 30 November and a further urgent interdict granted by the Electoral Court on 23 February 2016, which resulted in the indefinite postponement of by-elections.

Other key communication activities during the year under review related to support for the 2015 Schools Democracy Week and the build-up to the 2016 Municipal Elections – including the launch of the contact centre in November 2015, the launch of the 2016 Municipal Elections campaign on 14 January 2016 and the first registration weekend held on 5 and 6 March 2016.

External Communications

Maintaining an open and transparent relationship with a wide variety of media is crucial to managing the flow of information to the public. A total of 8 290 media reports directly related to the Electoral Commission were recorded during the year – more than half of which (5 610 reports) were recorded during the final quarter.

This increase was primarily related to the launch of the 2016 Municipal Elections campaign on 14 January 2016 and associated news and events linked to the election, including the first registration weekend held on 5 and 6 March. However, a secondary source of significant media attention was the continued developments around the Tlokwe by-elections following the Constitutional Court ruling against the Electoral Commission on 30 November and the subsequent interdict granted by the Electoral Court further postponing the by-elections in February.

The ongoing media and public engagement around these issues, including direct engagements with the South African National Editors' Forum (SANEF) and senior editorial staff from individual media organisations, and a large number of media releases and media conferences, helped limit the negative reporting to 16.5% over the year.

The key achievements during the year in review were the following:

- A total of 50 media releases were issued.
- Approximately 120 interviews were conducted, mainly with the South African media.
- Live television broadcasts were flighted by 24-hour news channels (SABC, eNCA and ANN7) in the lead-up to and including the March registration weekend.



CEO Mosotho Moepya being interviewed at the launch of the 2016 Municipal Elections

- Engagements were held between the Electoral Commission's leadership and media bodies, including SANEF and eNCA.

The Electoral Commission has developed and implemented a comprehensive communications strategy to promote participation in the 2016 Municipal Elections. This began with market research aimed at understanding the environment and attitude of voters (especially young voters) to local elections and voting in general. The insights gained into the attitudes and beliefs of voters were used to develop a communication strategy in conjunction with members of the provincial offices, including Provincial Electoral Officers and provincial communications specialists who attended a strategy workshop in May 2015.

From this strategic document, the creative concept for the 2016 Municipal Elections was developed under the slogan "My future is in my hands". The campaign began in November 2015 with a pre-election campaign, which focused on reminding voters that a municipal election would be held in 2016 and urging young voters to make sure they had applied for an ID document ahead of time so that they would be able to register in the new year.

The primary campaign was launched on 14 January 2016 at an event featuring key stakeholders, including political leaders, civil society and the media. The event was broadcast live on a number of television news channels.

Among the key creative products launched were two television adverts utilising similar material – one focusing on appealing to all voter demographics and a second advert focused specifically on the youth market. The television commercials were supported by radio adverts in all 11 languages, billboards, street posters and print adverts, including a four-page special voter education pamphlet covering all aspects of the election. Issues covered in the pamphlet (of which approximately 10 million copies were printed and distributed in community newspapers in six languages) were registration processes, voting, vote counting and how to stand as an independent candidate.

The outdoor campaign was supported by street posters and flyers. A total of 184 112 A1 posters and

4 million flyers were printed to promote the March registration weekend. Both products were made available in all 11 official languages.

Following the success of the social media campaign for the 2014 National Elections, digital and social media were once again key channels for communication in the 2016 Municipal Elections communications drive. This included sending over 2.5 million SMS messages to citizens aged 17 to 25 years old ahead of the first registration weekend to urge those not yet registered to do so.

The social media campaign for the 2016 Municipal Elections kicked off with a pre-election education campaign on mobile web, Facebook and Twitter, which ran from mid-November to mid-December 2015. The campaign linked viewers of advertised Facebook posts, non-paid-for Facebook posts, and mobile 'Please call me' adverts to the Electoral Commission's special 2016 Municipal Elections mini website (microsite), with almost daily posts providing eligible voters with information on municipal government, municipal elections and the requirements for registration.

The social media campaign continued during the launch of the 2016 Municipal Elections on 14 January 2016 and ahead of the registration weekend on 5 and 6 March. Content on Facebook, Instagram, Twitter and the mobile web focused on motivating eligible voters to register to vote, and educating them about the importance of municipal elections, the details of registration processes and key registration weekend dates.

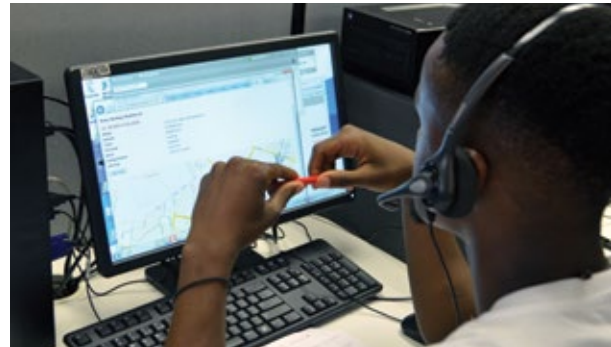
Overall, the impact of the social media strategy continued to be felt throughout the 2015/16 financial year. Between April 2015 and March 2016, the Electoral Commission enjoyed the following significant growth in key social media platforms:

- a) The number of Twitter followers nearly doubled year-on-year from some 71 500 at the end of April 2015 to 130 000 followers at the end of March 2016. By the end of the financial year, the Electoral Commission's Twitter profile featured in the top five governmental Twitter profiles in South Africa, and it continued to rank as one of the fastest-growing governmental Twitter profiles in the country.
- b) Facebook likes increased by 37 800 likes from 217 200 likes at the end of April 2015 to 255 000 likes at the end of March 2016. The Electoral Commission made the Top 50 South African brand list on Facebook and was the leading public sector brand. By 31 March 2016, the Electoral Commission had by far the largest audience of any government Facebook platform, and its Facebook page continued to rank as one of the fastest-growing governmental pages in South Africa.
- c) The Electoral Commission established a presence on the Instagram photo-sharing platform in February 2016 ahead of the registration weekends for the 2016 Municipal Elections.

Voter Education Game

Following the initial release of an animated digital game in 2014 aimed at educating new voters about how to vote, the IXSA game was significantly enhanced and expanded to include the voter registration process and additional information around electoral democracy.

The updated version of the game was released in Android, Apple and Windows application stores for free download in November 2015. By 31 March 2016, it had recorded just under 30 000 downloads and had been played over 25 000 times. Scoring for the game showed that about 75% of the questions in the game were answered correctly.



IEC contact centre agents took over 80 000 calls between November 2015 and March 2016

Contact centre

The growing demands on the organisation to provide its various stakeholders with information on elections at their convenience, and the 2016 Municipal Elections in particular, motivated the Electoral Commission to once again establish an integrated inbound contact centre to service the South African electorate. The purpose of the contact centre is to allow potential eligible voters to clarify any queries they may have with respect to voter registration, voter education and voting processes so that they may meaningfully participate in the elections.

Popular social media were again incorporated into the contact centre function, allowing the Electoral Commission to reach South Africans, and especially young unregistered voters, in a more integrated and accessible way. The contact centre was divided into a traditional call centre, which could be accessed through a toll-free number, 0800 11 8000, and interactive internet-based communication tools, including social media applications such as Facebook and Twitter, and the Electoral Commission's general email address, info@elections.org.za.

Following an intensive training period for contact centre agents, the contact centre went live with voice calls in early November 2015. As was done for the 2014 NPE, the contact centre attended to queries on the Electoral Commission's social media platforms, namely its Facebook and Twitter pages, a service that went live in early January 2016. The contact centre will be operational until the conclusion of the 2016 Municipal Elections and the announcement of the results in August 2016. During normal activity periods, operational hours are from 07:00 to 21:00 weekdays. These hours were extended during the March registration weekend on 5 and 6 March 2016.

The following are some statistics from the call centre up to the end of March 2016:

- a) Total number of calls: 80 997
- b) Number of calls handled by interactive voice response: 48 245

- c) Number of calls handled by agents: 32 752
- d) Percentage of calls abandoned: 0.69%
- e) Total social media interactions received: 23 924
- f) Total Facebook interactions: 2 042
- g) Total Twitter interactions received: 12 235
- h) Total emails received: 9 647

The most common questions about registration were about the registration dates, requirements, the location of registration stations and voter registration status information.

Internal Communications

Staff members are key stakeholders in any organisation, and the Electoral Commission is no different. In fact, the need to ensure that all employees are kept informed and updated on key events, issues and information is all the more critical during the build-up to an election when the staff complement of the organisation increases dramatically. To ensure that members of staff were constantly informed about key issues, a variety of internal communication channels were used, including the following:

- a) A regular newsletter issued electronically to all staff
- b) Regular email notices on important events, news, legislative amendments, the celebration of commemorative events and other operational issues
- c) Frequent communication about key issues from the leadership of the Electoral Commission to staff
- d) Text messages to all staff ahead of the registration weekend of 5 and 6 March to encourage and motivate

Atlas of Results

Custodianship of the Electoral Commission's body of knowledge resides in the publications that accumulate

in the organisation's Knowledge Management Unit. On a regular and ad hoc basis, the Electoral Commission produced publications as part of its knowledge management, communications and education activities.

The Electoral Commission published the *2014 National and Provincial Elections Atlas of Results*, the fourth publication of its kind, which contains maps and information on all aspects of the 2014 NPE. The strength of the publication lies in the fact that by adding a spatial component, voluminous elections data is transformed into illustrative and easy-to-understand maps. It is the task of the Electoral Commission to strengthen constitutional democracy, and the Atlas of Results empowers all political stakeholders to make informed decisions in their participation in the electoral process. It is a great equaliser in that it provides all political parties with the same substantive information that many would otherwise not have had the resources to compile. Not only is it the definitive publication used by political parties to analyse their electoral performance and future electoral strategy; it also provides the media with trends analysis and is an authoritative source for political analysts, political scientists and postgraduate students alike. The publication was launched in Parliament in February 2016. It was formally presented to the Deputy President of South Africa, Mr Cyril Ramaphosa, as well as various key stakeholders, including the parliamentary representatives of all political parties. The publication went on to garner the Electoral Commission an International Electoral Award for Accessibility at the 2015 annual awards held by the International Centre for Parliamentary Studies.

To facilitate public access to information, an electronic copy of all of the Electoral Commission's publications is uploaded to the Electoral Commission's website (www.elections.org.za).

Linking performance with budgets

Table 29: Overview of the Outreach Programme budget

Programme name	2015/2016			2014/2015		
	Budget	Actual expenditure	(Over)/under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Outreach	275 201	255 032	20 169	163 682	167 052	(3 370)



Copies of the IEC's 2014 Atlas of Results were presented to Deputy President Cyril Ramaphosa and other parliamentary stakeholders in February 2016



Governance

C

1. INTRODUCTION

Corporate governance embodies processes and systems by which institutions are directed, controlled and held to account. In addition to legislative requirements based on the Electoral Commission Act, corporate governance with regard to the Electoral Commission is applied through the prescripts of the PFMA.

Parliament, the Executive Authority and the Commissioners of the Electoral Commission are responsible for corporate governance.

2. PORTFOLIO COMMITTEES

The Electoral Commission reports directly to Parliament and interacts primarily with the Portfolio Committee on Home Affairs. The Portfolio Committee is a multi-party committee established in terms of the Rules of Parliament. There were several interactions with the Portfolio Committee on Home Affairs during the course of the year under review. These included the following sessions:

- a) 26 May 2015 for a briefing on the demarcation matters of the MDB
- b) 8 September 2015 for a briefing on the Local Government: Municipal Electoral Act
- c) 13 October 2015 for the 2014/15 Annual Report
- d) 16 February 2016 for a briefing on the progress with the 2016 Local Government Elections

3. EXECUTIVE AUTHORITY

In terms of Treasury Regulation 1.1 of the PFMA, the Executive Authority of the Electoral Commission is the Chairperson of the Commission.

The Accounting Officer, who is the CEO, submits quarterly reports on performance against strategic objectives to the Commission (including the Chairperson). These reports are discussed at meetings of the Commission, as well as Electoral Commission plenaries. Issues raised at these meetings are considered when implementing plans for the remainder of the year.

4. THE COMMISSION

The membership of the Electoral Commission is provided for in terms of section 6 of the Electoral Commission Act.

The members of the Commission in the year under review were as follows:

Table 30: Commission meetings

Name	Date appointed	Number of meetings attended
Mr Glen Mashinini	18 May 2015	11
Mr Terry Tselane	8 November 2011	16
Judge Gidfonia Makhanya	10 May 2011	16
Rev Bongani Finca	8 November 2011	16

Members of the Commission are appointed for a term of seven years. The Commission appoints the CEO. It also adopts the Strategic Plan, monitors and oversees its implementation and reports annually to the National Assembly.

The Commission has established a number of committees to advise it on the execution of its duties.

Table 31: Committee chairs

Committee	Chairperson
Elections Management	Mr Terry Tselane
Finance, Risk and Compliance	Mr Terry Tselane
Governance and Ethics	Mr Glen Mashinini
Human Resources Governance	Mr Glen Mashinini
Outreach, Communications and International Relations	Rev Bongani Finca
Research, Knowledge Management and Publications	Rev Bongani Finca

5. RISK MANAGEMENT

Risk management at the Electoral Commission is effected in terms of an approved risk management policy and framework, and risks are reviewed at least quarterly under the direction of the Executive Risk Management Committee (ERMC). The risk management reporting structure is set out in Figure 8.

An annual strategic planning workshop was held involving senior management, where strategic and annual performance plans were reviewed and risks identified that would potentially prevent the Electoral Commission from achieving its objectives. Seventeen operational risk registers, which include those for nine provinces and eight national departments, are completed quarterly for their respective areas of responsibility, which are used as a basis, together with the knowledge and experience of the ERMC, to review and update the strategic risk register, which is completed at the quarterly meeting of the ERMC.

6. INTERNAL CONTROL

The system of internal control at the Electoral Commission is well established and operates efficiently and effectively. Workflow controls embedded within the SAP system ensure that adequate levels of authorisation within the approved delegations are in place for each transaction, and assist in ensuring that segregation of duties is maintained. A process of continuous review and improvement is in place and standard operating procedures have been drafted and are updated as necessary.

Findings from internal and external audit reports are tracked, and the relevant process improvements are implemented in terms of the agreed time frames.

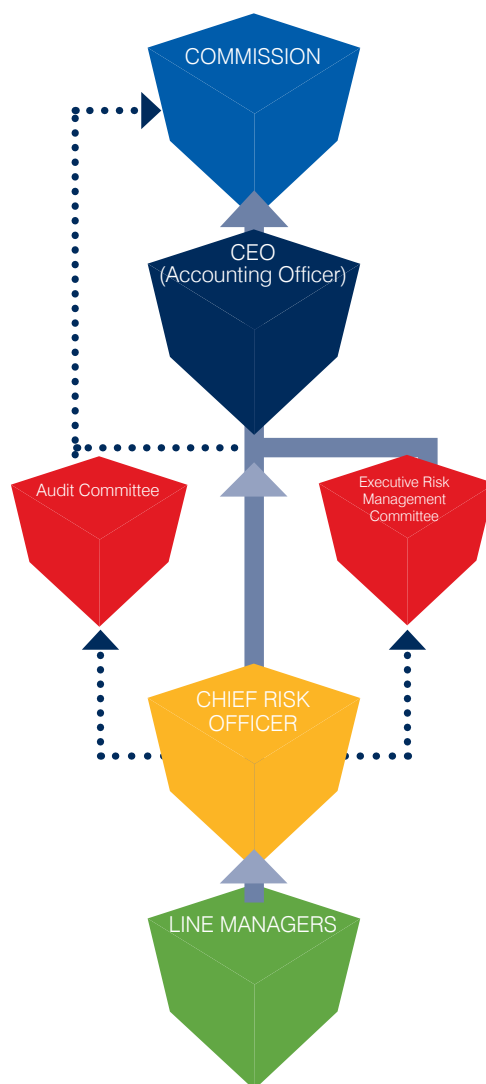


Figure 8: Risk management reporting structure

7. INTERNAL AUDIT AND AUDIT COMMITTEE

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

The Audit Committee continues to operate within its written terms of reference to ensure that its responsibilities are executed timeously. The Audit Committee convened for seven meetings during the year. Details of the individual members of the Audit Committee and attendance at meetings during 2015/16 are as follows:

Table 32: Audit Committee members

Name of member (all external)	Qualifications	Date appointed	Attended	Apologies	Total attended
Mr JM Lekgetha	BCom	11 April	6	1	6
Ms CH Wessels	LLM	10 February	3	1	3
Ms K Rapoo	GIBS Executive Development Programme – Advanced Project Management	10 February	2	2	2
Mr Il van Niekerk	CA(SA)	14 October	7	0	7
Mr YN Gordhan (Chairperson)	CA(SA)	14 October	7	0	7

Table 33: Audit Committee meetings

Name of member	17 February 2016	29 October 2015	9 September 2015	30 July 2015	23 July 2015	26 May 2015	29 April 2015
Mr JM Lekgetha	✓ ✓	✓	✓	✓	✓	x	✓
Ms CH Wessels	Retired			✓	✓	x	✓
Ms K Rapoo	Retired			✓	x	✓	x
Mr YN Gordhan (Chairperson)	✓ ✓	✓	✓	✓	✓	✓	✓
Mr Il van Niekerk	✓ ✓	✓	✓	✓	✓	✓	✓

The recruitment of two new members was completed before the year-end and the new members will come on board early in the new financial year.

Officials of the AGSA, the CEO, the Chief Financial Officer (CFO), the CAE and representation from the co-sourced internal audit firms have attended general meetings of the Audit Committee. In addition, one commissioner assigned at the discretion of the Chairperson of the Commission also has a standing invitation to attend general meetings of the Audit Committee pending his or her availability.

The Audit Committee held confidential discussions with Internal Audit, the Auditor-General, as well as with the CEO as and when required. The Audit Committee also convened for an extraordinary meeting on 8 December 2015 to consider the way forward regarding the internal audit service providers.

The Audit Committee continues to execute its oversight responsibilities in the upswing to the 2016 Municipal Elections, as well as driving the combined assurance implementation with the rest of the recommendations in the 2014 IIA report on the external quality review of the internal audit activity. Reports of the Audit Committee are tabled with the Commission, as well as the Accounting Officer.

8. COMPLIANCE WITH LAWS AND REGULATIONS

A detailed review of all procurement processes and documentation is undertaken after each external audit, and a continuous process of monitoring the legislative environment is in place. The Electoral Commission has a fully functional compliance unit and all procurement transactions are reviewed to ensure compliance with the relevant prescripts.

9. FRAUD AND CORRUPTION

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

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

An anonymous fax line to report suspected fraud and corruption is available at the Electoral Commission and all faxes received are followed up. A decision has been taken to outsource this service and specifications. This will be implemented in 2016/17.

Any incidents reported, or that come to the attention of management through other means, are investigated and the appropriate action is taken, either disciplinary or criminal, or both.

10. MINIMISING CONFLICT OF INTEREST

The Electoral Commission recognises that conflicts extend beyond procurement matters, and a Conflict of Interest Policy that addresses the broader issues was approved by the Commission on 18 March 2016.

The need to be aware of potential conflicts and how to address these is reinforced at financial management workshops.

11. CODE OF CONDUCT

The Electoral Commission has a Code of Conduct, which is contained in its Employee Policy Manual. Section 9 of the Electoral Commission Act contains a code for commissioners. Both codes are currently in the process of being reviewed by the Governance and Ethics Committee for recommendations to be made to the Commission.

12. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

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

The Electoral Commission has established a Health and Safety Committee for its national office, in accordance with the requirements of the Occupational Health and Safety Act. During the period under review, this committee met twice to carry out its functions in terms of the Act.

13. SOCIAL RESPONSIBILITY

The Commission has established a Governance and Ethics Committee, which will develop a Policy on Social Responsibility. Currently, employees of the Electoral Commission are encouraged to participate in various initiatives to contribute to social development. Such initiatives are organised centrally and time is allowed for this. Direct financial contributions are regulated by the PFMA.

14. AUDIT COMMITTEE REPORT

The Audit Committee is pleased to present its report for the financial year ended 31 March 2016.

Audit Committee Responsibility

The Audit Committee hereby reports that it has been established in terms of section 77 of the PFMA, as amended, and has complied with its responsibilities arising from Treasury Regulation 3.1.

The Audit Committee also confirms that it has adopted the approved formal terms of reference contained in its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Details of its composition, meetings held and attendance are reflected under the subheading Internal Audit and Audit Committee (page 61).

Effectiveness of Internal Control

The systems of internal control are designed to provide effective assurance that assets are safeguarded, liabilities and working capital are efficiently managed, operations are efficient and effective, and that policies, laws and regulations are complied with.

From the various reports of Internal Audit and the AGSA, the Audit Committee has recommended improvements in the internal control environment. Management has committed to address these and the Audit Committee will continue to monitor such remedial action in the ensuing year.

Internal Audit

In addition to the information on internal audit reflected in Part C, the Audit Committee must raise concern that Internal Audit did not have the required resources to adequately execute its mandate during the year. As a result, the annual audit plan was significantly incomplete during the year due to the expiry of the contracts of the co-sourced firms in November 2015.

The appointment process is significantly delayed, which will impact on the coverage during the 2016/17 financial year. Despite this limitation in internal audit activity, nothing has come to the attention of the Audit Committee to suggest that there has been a breakdown in the effectiveness of internal control.

Finance Function

The finance function continued to discharge its responsibilities satisfactorily. However, the Audit Committee is concerned that the recruitment process for a permanent incumbent to relieve the workload of the DCEO: Corporate Services, who is currently also the interim CFO, is delayed. In the interim period, the Commission has committed to appoint a CFO on a contractual basis.

Risk Management

The court case to set aside the Riverside Office Park lease agreement is still in progress. However, the Accounting Officer and the Commission have a business continuity plan in place to deal with possible outcomes at short notice. The Audit Committee is also

continuing to monitor progress with the disciplinary actions relating to the Riverside Office Park lease.

The position of Chief Risk Officer is currently vacant. In the interim period, the Commission has committed to appoint a Chief Risk Officer on a contractual basis. However, the Enterprise Risk Management Committee is functioning.

In addition to the information on risk management reflected in Part C, the Audit Committee is satisfied with the progress made on the implementation of enterprise risk management initiatives.

Quality of Management Reports

Quarterly financial and performance reports are tabled and presented at the Audit Committee meetings. However, the Audit Committee has requested management to improve the format of the financial reports and the quality of performance information reporting.

Evaluation of Audited Annual Financial Statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the Annual Report with the AGSA and the Accounting Officer;

- reviewed the Audit Report of the AGSA;
- reviewed the AGSA's Management Report and Management's response thereto;
- reviewed the Electoral Commission's compliance with legal and regulatory provisions; and
- reviewed adjustments resulting from the audit.

In particular, the Audit Committee has devoted time towards facilitating a meeting of minds between management and the AGSA with regard to the interpretation and application of National Treasury's guidance on irregular expenditure. This process will be continued in the new financial year in line with the agreed action plan.

The Audit Committee concurs with and accepts the AGSA'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 AGSA.



Mr Y N Gordhan
Chairperson of the Audit Committee
26 May 2016





Human Resources Management

D

1. INTRODUCTION

At the beginning of the period under review, the Electoral Commission had a total staff complement of 1 031 posts, with 920 posts filled and 111 vacant. By the end of the financial year, the total staff complement was 1 033 as a result of two additional posts having been created, with 941 (91.09%) posts filled and 92 (8.91%) posts vacant.

Staff turnover was much higher in this financial year compared to the previous year, with terminations emanating from resignations (14), dismissals (7), retirements (6) and deaths (3).

The two senior manager posts of Legal Services and Provincial Electoral Officer (Free State) were filled. An Agency Shop agreement, which allows the employer to deduct an amount equivalent to the union membership fee from employees within the bargaining unit who are not registered union members, was signed and implemented. The parties also commenced with wage negotiations for the 2016/17 financial year in the last quarter of the reporting period.

Seven (46.66%) of the 15 cases that were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) by employees and former employees were ruled in favour of the Electoral Commission and finalised, and a settlement was reached in one case (6.67%). Four cases (26.67%) were withdrawn by the relevant employees and two

cases (13.33%) are still pending. One case (6.67%) was ruled in favour of the employee.

The employment equity (EE) report was compiled and submitted to the Department of Labour in January 2016. Training was provided to improve disability awareness within the organisation.

Registration training material was developed and printed in time for the training of registration staff members, which commenced in October 2015.

During the period under review, additional training was provided before the first main registration event to familiarise all registration staff with the newly introduced registration form, and to ensure that sufficient address particularities of voters were collected.

In line with the Electoral Commission's vision of being a pre-eminent leader in election management and strengthening staff members' knowledge and understanding of election management, staff members attended the Management of Democratic Elections in Africa programme, offered by the University of South Africa in partnership with the Electoral Commission. The staff members of the Electoral Commission also formed part of the lecturing staff and provided practical experiences.

Project management and facilitation skills training were provided to 160 and 100 staff members respectively. This is in line with the Electoral Commission's strategic objective of building institutional capacity at various levels within the organisation.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

2.1 Expenditure on remuneration

The Electoral Commission implemented a negotiated inflationary increase for all its employees in April 2015.

A summary of expenditure on remuneration during the year under review is illustrated in the table below.

Table 34: Personnel cost according to salary band

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost (R'000)	Number of employees	Average personnel cost per employee (R'000)
Commissioners	6 198	1%	3	2 066
Top Management	10 290	2%	4	2 573
Senior Management	61 057	10%	39	1 566
Middle Management	106 175	16%	128	829
Professionals	310 717	48%	642	484
Skilled	13 249	2%	57	232
Semi-skilled	119 069	18%	7 298	16
Very low-skilled	19 347	3%	8 700	2
Grand total	646 102	100%	16 871	7768

Table 35: Employment and vacancies according to rank

Programme	2013/14 number of employees	2014/15 approved posts	2014/15 number of employees	2014/15 number of vacancies	Percentage of total vacancies
Top Management	4	4	4	0	0.0%
Senior Management	37	44	39	5	5.4%
Professional qualified	760	847	770	77	83.7%
Skilled	49	63	57	6	6.5%
Semi-skilled	18	20	18	2	2.2%
Unskilled	52	55	53	2	2.2%
Total	920	1 033	941	92	100%

Table 36: Employment and vacancies by structure

Division	Rank	Approved posts	Posts filled	Vacant posts
Office of the CEO	CEO	1	1	0
	Manager	2	2	0
	Deputy Manager	1	1	0
	Senior Administrative Officer	1	1	0
	Assistant Administrative Officer	1	1	0
Commission Services	Manager	1	1	0
	Senior Administrative Officer	3	2	1
	Housekeeper	2	2	0
DCEO: Corporate Services	DCEO	1	1	0
	Senior Administrative Officer	1	1	0
ICT Operations	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	8	2	6
	Assistant Manager	10	3	7
	Senior Administrative Officer	4	0	4
	Administrative Officer	5	5	0
	Assistant Administrative Officer	2	0	2
Chief Financial Officer	Senior Manager	2	0	2
	Manager	3	3	0
	Deputy Manager	4	2	2
	Assistant Manager	3	3	0
	Senior Administrative Officer	8	6	2
	Administrative Officer	21	18	3
	Assistant Administrative Officer	2	1	1
HR, Training, Skills Development and Support Services	Senior Manager	1	1	0
	Manager	3	3	0
	Deputy Manager	6	6	0
	Assistant Manager	4	2	2
	Senior Administrative Officer	4	3	1
	Administrative Officer	5	4	1
	Assistant Administrative Officer	6	5	1

Division	Rank	Approved posts	Posts filled	Vacant posts
	Senior/Administrative Clerk	5	5	0
	Messenger/Driver/Housekeeper	10	9	1
Legal Services	Senior Manager	1	0	1
	Manager	1	1	0
	Deputy Manager	1	0	1
	Assistant Administrative Officer	1	1	0
DCEO: Electoral Matters	DCEO	1	1	0
	Senior Administrative Officer	1	1	0
Logistics and Infrastructure	Senior Manager	1	1	0
	Manager	2	1	1
	Deputy Manager	2	2	0
	Assistant Manager	2	2	0
	Senior Administrative Officer	2	2	0
	Assistant Administrative Officer	2	1	1
Electoral Matters	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	1	1	0
	Assistant Manager	2	2	0
	Senior Administrative Officer	2	2	0
	Assistant Administrative Officer	2	2	0
DCEO: Outreach	DCEO	1	1	0
	Senior Administrative Officer	1	1	0
Communications	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	1	0	1
	Senior Administrative Officer	1	1	0
	Administrative Officer	1	1	0
	Assistant Administrative Officer	1	0	1
Civic Education, Research and Knowledge Management	Senior Manager	1	1	0
	Manager	1	0	1
	Deputy Manager	2	1	1
	Assistant Manager	1	1	0
	Senior Administrative Officer	1	0	1
	Administrative Officer	1	1	0
	Assistant Administrative Officer	1	1	0
	Clerk/Photocopy Operator	4	4	0
Provincial electoral staff: Eastern Cape	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	4	4	0
	Assistant Manager	12	11	1
	Senior Administrative Officer	26	24	2
	Administrative Officer	3	3	0
	Assistant Administrative Officer	2	2	0
	Messenger/Housekeeper/Driver	2	2	0

Division	Rank	Approved posts	Posts filled	Vacant posts
	Senior Administrative Clerk	8	8	0
	Electoral Project Coordinator	87	82	5
	Cleaner	33	31	2
Provincial electoral staff: Free State	Senior Manager	1	1	0
	Manager	1	0	1
	Deputy Manager	1	1	0
	Assistant Manager	9	9	0
	Senior Administrative Officer	11	11	0
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper	1	1	0
	Senior Administrative Clerk	6	3	3
	Electoral Project Coordinator	28	27	1
Provincial electoral staff: Gauteng	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	8	8	0
	Senior Administrative Officer	15	13	2
	Administrative Officer	3	3	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	7	6	1
	Electoral Project Coordinator	38	35	3
	Cleaner	5	5	0
Provincial electoral staff: KwaZulu-Natal	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	1	1
	Assistant Manager	16	16	0
	Senior Administrative Officer	21	20	1
	Administrative Officer	3	3	0
	Assistant Administrative Officer	2	2	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	11	10	1
	Electoral Project Coordinator	92	89	3
Provincial electoral staff: Limpopo	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	8	8	0
	Senior Administrative Officer	15	15	0
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	0	1
	Senior Administrative Clerk	5	5	0

Division	Rank	Approved posts	Posts filled	Vacant posts
Provincial electoral staff: Mpumalanga	Electoral Project Coordinator	60	60	0
	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	7	6	1
	Senior Administrative Officer	10	10	0
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	3	3	0
	Electoral Project Coordinator	39	35	4
Provincial electoral staff: Northern Cape	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	9	8	1
	Senior Administrative Officer	10	10	0
	Administrative Officer	2	1	1
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	5	4	1
	Electoral Project Coordinator	31	31	0
Provincial electoral staff: North West	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	8	8	0
	Senior Administrative Officer	9	7	2
	Administrative Officer	2	1	1
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	4	4	0
	Electoral Project Coordinator	38	36	2
	Cleaner	16	16	0
Provincial electoral staff: Western Cape	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	10	10	0
	Senior Administrative Officer	12	11	1
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	6	6	0
	Electoral Project Coordinator	38	33	5
Total		1 033	941	92

2.2 Employment changes

The turnover rate was approximately 3.19%, which is slightly higher than the 2.72% of the previous financial year. Most of the terminations this year were as a result of resignations, dismissals and retirements.

As illustrated in the table below, the Electoral Commission appointed 53 new employees in the reporting period, while there were 30 terminations as a result of resignations, dismissals, retirements or deaths during the period under review.

Table 37: Staff movement during the period under review

Salary band	Employment at beginning of period	Appointments	Promotions	Demotions	Terminations	Employment at end of period
Top Management	4	0	0	0	0	4
Senior Management	37	2	2	0	1	39
Professional qualified	760	30	23	0	28	770
Skilled	49	19	0	0	0	57
Semi-skilled	18	1	0	0	1	18
Unskilled	52	1	0	0	0	53
Total	920	53	25	0	30	941

Table 38: Reasons for staff leaving

Reason	Number	Percentage of total number of staff terminations
Death	3	10.0%
Resignation	14	46.7%
Dismissal	7	23.3%
Retirement	6	20.0%
Ill-health	0	0.0%
Expiry of contract	0	0.0%
Other	0	0.0%
Total	30	100%

Table 39: Staff movement according to rank

	Recruited	Promoted	Demoted	Termination
CEO/Deputy CEO/Senior Manager	1	1	0	0
Manager	1	1	0	1
Deputy Manager	1	1	0	3
Assistant Manager	0	7	0	1
Senior Administrative Officer	3	3	0	2
Administrative Officer	21	12	0	20
Assistant Administrative Officer	4	0	0	2
Senior/Administrative Clerk	20	0	0	0
Messenger/Housekeeper/Driver	1	0	0	1
Cleaners	1	0	0	0
Total	53	25	0	30

Table 40: Staff resignations for 2013/14 to 2015/16

Year	Number of resignations	Percentage
2013/14	10	0.97%
2014/15	13	1.26%
2015/16	14	1.36%

Table 41: Wellness awareness sessions during the period under review

Year	Number of sessions
2013/14	7
2014/15	9
2015/16	11

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

Table 42: Sick leave absenteeism for 2013/14 to 2015/16

Year	Total number of sick leave days taken	Estimated cost	Number of employees who took 15 consecutive days
2013/14	2 870 days	R4 103 091	11
2014/15	3 757 days	R5 685 267	13
2015/16	3 152 days	R5 490 077	43

The 3 152 sick leave days taken in 2015/16 relates to 524 employees, of whom 43 took 15 consecutive days.

Table 43: Special sick leave absenteeism for 2015/16

Year	Total number of special sick leave days taken	Estimated cost	Number of employees who took special sick leave
2015/16	1 290	R2 531 099	20

Table 44: Average sick leave taken according to rank

Rank/level	Days
CEO	2.00
Deputy CEO	6.00
Senior Manager	4.63
Manager	5.50
Deputy Manager	4.78
Assistant Manager	6.06
Senior Administrative Officer	5.70
Assistant Administrative Officer	7.84
Senior/Administrative Clerk	6.58
Messenger/Housekeeper/Driver	4.90
Cleaners	5.20

Table 45: Employee deaths during the period under review

Office	Name	Date of death
Northern Cape	Moses Zamani Dipico	20 October 2015
Eastern Cape	Sidima Maqungo	27 December 2015
Limpopo	Tisetji Fransisca Hlako	24 March 2016

Table 46: Average age of the deceased for 2013/14 to 2015/16

Year	Number of deaths	Average age of deceased
2013/14	5	40.62
2014/15	4	55.55
2015/16	3	50.67

2.3 Labour relations

Formal disciplinary action was taken against 25 employees for contravening financial directives, prejudicing the administration or misconduct. During the period under review, 17 cases were finalised, while eight cases are still pending finalisation.

A total of 15 cases were referred to the CCMA: 14 were from employees for various reasons and one collective case was referred by the union. Seven of these cases were determined in favour of the Electoral Commission, one case was settled, four cases were withdrawn, one is still pending and one case was ruled in favour of the employee. The Electoral Commission successfully applied for the latter case to be rescinded as it was not aware of the sitting. The union case is also still pending.

Table 47: CCMA disputes

Nature of dispute	Number of employees
Sec 186(2)(a): Unfair conduct – promotion/demotion/training/benefits	3
Sec 186(2)(b): Unfair suspension or disciplinary action	1
Sec 191(1)(191)(5)(a): Dismissal related to misconduct	5
Sec 191(5)(a)(iii): Reason for dismissal unknown	3
Sec 198(d)(i): Interpretation or application of sections 198A, 198B or 198C	1
Sec 16(2): Disclosure of Information	1
73 designation dispute	Collective NEHAWU
Total	15

As illustrated in the table below, the trend of matters referred to the CCMA by employees against the Electoral Commission increased by 87.5% in the year under review compared to the previous two fiscal years. It should, however, be noted that most of these cases were referred by fixed-term staff whose contracts were terminated for various reasons.

Table 48: Disputes referred to the CCMA for 2013/14 to 2015/16

Referred	Number of cases
2013/14	8
2014/15	8
2015/16	15

Table 49: Employment equity targets among males for the period under review

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	2	0	0	0	0	0	0
Senior Management	10	10	6	6	2	2	4	4
Professional qualified	303	55	28	7	10	3	11	4
Skilled	11	402	1	55	1	19	1	61
Semi-skilled	8	8	1	1	0	1	0	1
Unskilled	2	5	0	0	0	0	0	0
Total	336	482	36	69	13	25	16	70

Table 50: Employment equity targets among females for the period under review

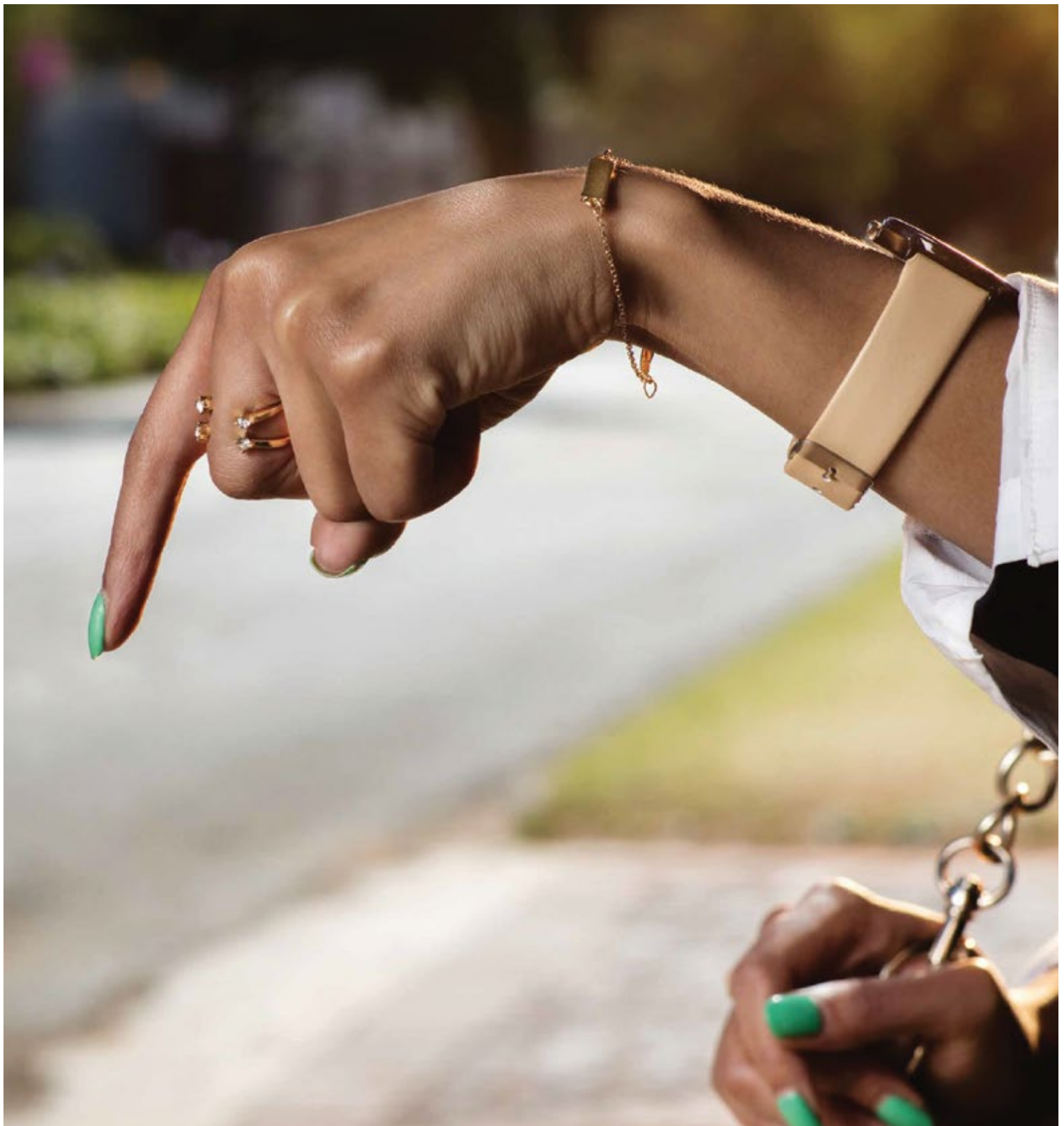
Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	1	1
Senior Management	9	13	1	1	1	1	4	4
Professional qualified	317	36	44	5	7	3	40	15
Skilled	27	364	7	49	1	12	0	45
Semi-skilled	9	9	0	4	0	1	0	1
Unskilled	48	50	2	1	0	0	0	0
Total	411	473	54	60	9	17	45	66

Table 51: Representivity in terms of employment equity per level

Rank	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
CEO/DCEO	2	0	0	0	1	0	0	1
Senior Manager	7	2	0	1	3	0	2	0
Manager	3	4	2	4	7	1	0	3
Deputy Manager	14	1	0	2	7	0	2	6
Assistant Manager	41	4	4	1	32	5	1	9
Senior Administrative Officer	58	3	3	3	61	5	2	8
Administrative Officer	192	17	3	4	208	33	2	16
Assistant Administrative Officer	1	1	0	0	18	2	0	1
Senior/ Administrative Clerk	15	1	1	1	31	7	1	0
Messenger/ Housekeeper Driver	8	1	0	0	9	0	0	0
Cleaner	2	0	0	0	49	2	0	0
Total	343	34	13	16	426	55	10	44

Table 52: Employment equity goals

Period	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Numerical goals (until the end of September 2013)	348	52	17	60	305	53	10	47
Numerical goals (until the end of September 2018)	482	69	25	70	455	60	17	66



Financial Information

E

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ELECTORAL COMMISSION

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Electoral Commission set out on pages 79 to 120, which comprise the Statement of Financial Position as at 31 March 2016, the Statement of Financial Performance, Statement of Changes in Net Assets, and Cash Flow Statement and comparison of expenditure to budget for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting Officer's Responsibility 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 Standards of Generally Recognised Accounting Practise (GRAP) and the requirements of the PFMA (Act 1 of 1999), and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's Responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Electoral Commission as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with South African Standards of GRAP and the requirements of the PFMA.

Emphasis of matter

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

Irregular expenditure

8. As disclosed in Note 30 to the financial statements, the constitutional institution incurred irregular expenditure for the year ended 31 March 2016. This was as a result of non-compliance with the Preferential Procurement Regulations and the PFMA. The full extent has not yet been quantified and is currently disputed and will be completed by 31 March 2017.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the Public Audit Act of South Africa, 2004 (Act 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the constitutional institution for the year ended 31 March 2016:
 - Programme 2: Electoral Operations on pages 36 to 46
 - Programme 3: Outreach on pages 47 to 58
11. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by National Treasury's Framework for Managing Programme Performance Information (FMPPI).
12. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
13. The material findings in respect of the selected programmes are as follows:

Programme 2: Electoral Operations

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the programme.

Programme 3: Outreach

Usefulness of reported performance information

15. I did not identify any material findings on the usefulness of the reported performance information for the programme

Reliability of reported performance information

16. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure reliable reporting of actual achievements against planned objectives, indicators and targets. For 14% of indicators, the reported achievements against planned targets were not reliable because I was unable to obtain sufficient appropriate audit evidence for these targets. In addition, the reported achievements against planned targets for 29% indicators were not reliable when compared to the evidence provided.

Additional matters

17. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

Achievement of planned targets

18. Refer to the annual performance reports on pages 24–25, 37–38 and 48 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information for the selected programme reported in paragraph 16 of this report.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for Programme 2: Electoral Operations. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

20. I performed procedures to obtain evidence that the constitutional institution had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Procurement and contract management

21. Contracts were awarded to bidders based on points given for criteria that were not clearly stipulated in the original invitation for bidding, in contravention of the Preferential Procurement Regulations.
22. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1. Reasons for the deviations were not recorded and approved by a delegated official.

Expenditure management

23. Effective steps were not taken to prevent irregular expenditure as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The value of R37 715 464, as disclosed in Note 30, is not complete, as management is still busy with the exercise to quantify the full extent of the irregular expenditure.

Internal control

24. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Financial and performance management

25. Inadequate processes were implemented to monitor compliance with laws and regulations applicable to the Electoral Commission, which resulted in non-compliance identified in the audit of procurement and contract management.
26. Inadequate and ineffective internal controls were implemented to ensure that complete, relevant and accurate information is accessible and available to support the actual achievements reported in Programme 3 in the annual performance report.

Other reports

27. I draw attention to the following engagements that could potentially impact on the constitutional institution's financial, performance and compliance-related matters. My opinion is not modified in respect of these engagements that are either in progress or have been completed.

Investigations

28. The Public Protector's report on the Riverside Office Park lease was issued on 26 August 2013. A forensic investigation was recommended by the Public Protector, and this was commissioned by National Treasury. The report on the forensic investigation was issued on 14 December 2013.
29. Commissioners took a decision in July 2014 to approach the High Court to set aside the Riverside Office Park lease agreement, and are undertaking disciplinary actions against the Accounting Officer and other staff involved in the process. These processes are still under way.

Auditor-General



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Electoral Commission

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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

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Electoral Commission

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2016

The Electoral Commission

The Electoral Commission is a constitutional institution established in terms of section 181(1)(f) of the Constitution of the Republic of South Africa (Act 108 of 1996) to promote and safeguard representative democracy in South Africa. The Electoral Commission is publicly funded and accountable to Parliament, yet independent of government. Its core function is the impartial management of free and fair elections in all spheres of government.

The Accounting Officer has the pleasure of presenting this report, which forms part of the audited annual financial statements of the Electoral Commission for the year ended 31 March 2016. This report and the annual financial statements comply with the requirements of the Public Finance Management Act (PFMA), Act 1 of 1999, and the Electoral Commission Act, Act 51 of 1996.

The Accounting Officer of the Electoral Commission is the Chief Electoral Officer in terms of section 36(2)(b) of the PFMA.

Nature of business

The nature of the Electoral Commission's business is to manage the election of national, provincial and municipal legislative bodies in accordance with national legislation, to ensure that those elections are free and fair, and to declare the results of those elections within a period that is prescribed by national legislation and that is as short as reasonably possible.

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

Registration details

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

Financial highlights

The Electoral Commission received R1 517 104 000 for the year under review by way of parliamentary allocations, sundry revenue of R16 832 805, comprising mainly interest earned, bringing the Electoral Commission's total revenue to R1 533 936 805.

All funds have been accounted for and are disclosed in the annual financial statements.

Tariffs

Treasury Regulations 7.3.1 and 7.3.2 state that the Accounting Officer of an institution must review, at least annually when finalising the budget, all fees, charges or the rates, scales or tariffs of fees and charges that are not fixed or cannot be fixed by any law and that relate to revenue accruing to a revenue fund. The Accounting Officer must obtain approval from the relevant treasury for the proposed tariff structure.

Tariffs were reviewed and, in an effort to enhance the activities of political parties and members of the general public, the Electoral Commission has determined the following prices, the basis of which was approved by National Treasury effective from 1 June 2013:

Prices of map products not statutorily provided for				
Size	Electronic image in PDF	Printed copies	Size	Lamination price
A4	R10,00	R15,00	A4	R60,00 per film run irrespective of the number of A4 pages
A3	N/A	N/A	A3	R60,00 per film run irrespective of the number of A3 pages
A2	R60,00	R75,00	A2	R60,00 per film run irrespective of the number of A2 pages
A1	R105,00	R120,00	A1	R60,00
A0	R160,00	R180,00	A0	R120,00

Maps are provided to political parties and members of the general public only when the Electoral Commission is able to do so without negatively impacting on its own mapping requirements and activities.

In addition, the following services are provided via the IEC's website free of any charge:

- The publication *Am I Registered to Vote?*
- The publication *Voting Station Finder*
- Election and by-election results data
- Registration status, level and contact details of political parties

Electoral Commission

REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2016

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

Section 55(2)(b) of the PFMA requires the Electoral Commission to include in the annual report particulars of any material losses through criminal conduct, any irregular expenditure, and fruitless and wasteful expenditure that occurred during the financial year.

No confirmed material instances of loss through criminal conduct were discovered during the period under review.

Irregular expenditure amounting to R34 372 404 was incurred in the financial year and is reflected in Note 30 of the annual financial statements. Of this, R33 847 411 is the current-year expenditure in relation to the Riverside Office Park transaction. This transaction has been the subject of an investigation by the Public Protector that culminated in a report in August 2013 and a forensic investigation commissioned by National Treasury as a result of a recommendation made by the Public Protector, with that report being issued in December 2014.

Fruitless and wasteful expenditure amounting to R19 753 was incurred in the current financial year and is reflected in Note 31 of the annual financial statements. The fruitless and wasteful expenditure relates mainly to interest paid on overdue accounts. The expenditure will be investigated to determine whether it will be economical to recover. Steps have been taken to prevent recurrence.

Corporate governance

Various sections of the PFMA place responsibility on the Accounting Officer to ensure that the organisation complies with all applicable legislation. Any non-compliance with legislation is reported to the Executive Committee (EXCO) and the Commission.

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

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

The Accounting Officer is responsible for the preparation and fair presentation of the Electoral

Commission's annual financial statements. These statements comprise the following:

- Statement of Financial Position as at 31 March 2016
- Statement of Financial Performance for the year ended 31 March 2016
- Statement of Changes in Net Assets for the year ended 31 March 2016
- Cash Flow Statement for the financial year ended 31 March 2016
- Comparison of actual and budgeted expenditure for the year ended 31 March 2016
- Accounting policies and notes to the annual financial statements.

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

Riverside Office Park

Following the report of the Public Protector, and the forensic audit commissioned by National Treasury, members of the Commission have approached the High Court to set aside the Riverside Office Park lease agreement. This matter is in progress.

A disciplinary process is currently underway regarding the Riverside Office Park lease, involving the Accounting Officer, among others.

The risks arising from these matters are receiving the attention of the Executive Risk Management Committee, in accordance with the approved risk management framework.

Going concern

The financial statements have been prepared on the going-concern basis.

Approval of the annual financial statements

The annual financial statements of the Electoral Commission, set out on pages 82 to 86 have been approved by the Accounting Officer.



Mr Mosotho S Moepya
Chief Electoral Officer
Date: 30 May 2016

Electoral Commission

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	31 March 2016 R	31 March 2015 R
Assets			
Current assets		404,038,985	193,680,430
Cash and cash equivalents	3,4	341,001,580	157,468,609
Trade and other receivables from exchange transactions	3,5	17,647,929	28,354,603
Inventories	6	45,389,476	7,857,218
Non-current assets		319,650,867	305,784,347
Property, plant and equipment	7	224,315,830	232,535,130
Heritage assets	8	1,663,709	1,663,710
Intangible assets	9	93,671,328	71,585,507
Total assets		723,689,852	499,464,777
Liabilities			
Current liabilities		176,110,972	73,134,572
Trade and other payables from exchange transactions	3,11	176,110,972	72,946,800
Provisions	13	-	187,772
Non-current liabilities		40,503,467	37,917,800
Operating lease liability	3,12	40,503,467	37,917,800
Total liabilities		216,614,439	111,052,372
Net assets			
Accumulated surplus		507,075,413	388,412,405
Total liabilities and net assets		723,689,852	499,464,777

Electoral Commission

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2016

	Note	31 March 2016 R	31 March 2015 R
Revenue			
Revenue from non-exchange transactions	14	1,517,104,000	1,574,397,000
Parliamentary allocation		1,517,104,000	1,553,617,000
Sponsorship revenue		-	20,780,000
Revenue from exchange transactions	15	16,832,805	10,602,702
Political party registration fees		39,200	6,800
Investment revenue		16,579,747	10,023,661
Other operating revenue	15.1	213,858	572,241
Total revenue		1,533,936,805	1,584,999,702
Expenditure		(1,411,935,176)	(1,615,823,575)
Employee-related costs	16	(646,101,890)	(572,015,921)
Goods and services	17	(596,315,917)	(877,510,183)
Depreciation, amortisation and impairment	18	(59,092,628)	(63,802,959)
Audit fees	19	(6,028,891)	(6,285,126)
Lease rental costs	20	(79,229,815)	(72,783,986)
Finance costs	21	(23,330)	(20,669)
Debt impairment	22	(1,582,949)	(196,304)
Repairs and maintenance	23	(23,559,756)	(23,208,427)
Total expenditure		(1,411,935,176)	(1,615,823,575)
Deficit on disposal of assets	24	(3,338,621)	(56,029)
Surplus/(deficit) for the year		118,663,008	(30,879,902)

Electoral Commission

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2016

	Note	R	R
		Accumulated surplus	Total net assets
Balance at 1 April 2014		419,292,307	419,292,307
Deficit for the year		(30,879,902)	(30,879,902)
Balance at 1 April 2015		388,412,405	388,412,405
Surplus for the year		118,663,008	118,663,008
Balance at 31 March 2016		507,075,413	507,075,413

Electoral Commission

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	31 March 2016 R	31 March 2015 R
Cash flows from operating activities			
Cash receipts from customers		1,533,670,430	1,576,791,702
Parliamentary allocation received		1,517,104,000	1,553,617,000
Sponsorship revenue received		-	12,572,000
Investment revenue received		16,313,372	10,023,661
Receipts from sale of goods and services		253,058	579,041
Cash paid to suppliers and employees		(1,273,839,686)	(1,556,840,358)
Cash payments to employees		(620,946,169)	(572,015,921)
Interest payments		(23,330)	(20,669)
Cash payments to suppliers		(652,870,187)	(984,803,768)
Net cash flows from operating activities	25	259,830,744	19,951,344
Cash flows from investing activities		(76,297,773)	(15 579 532)
Purchase of property, plant and equipment	7	(42,451,457)	(9,186,908)
Purchase of intangible assets	9	(35,822,295)	(8,865,744)
Proceeds from sale of property, plant and equipment	10,24	1,975,979	1,123,121
Capitalised development cost	9	-	1,349,999
Net increase in cash and cash equivalents		183,532,971	4,371,812
Cash and cash equivalents at the beginning of the year		157,468,609	153,096,797
Cash and cash equivalents at the end of the year	3,4	341,001,580	157,468,609

Electoral Commission

COMPARISON OF EXPENDITURE TO BUDGET FOR THE YEAR ENDED 31 MARCH 2016

	Note	31 March 2016	31 March 2016	31 March 2016
		R	R	R
		Adjusted budget (Estimates of National Expenditure published by National Treasury 24 February 2016)	Actual as per the Statement of Financial Performance	Variance
Revenue				
Revenue from non-exchange transactions	14	1,517,100,000	1,517,104,000	4,000
Parliamentary allocation		1,517,100,000	1,517,104,000	4,000
Sponsorship revenue			-	
Revenue from exchange transactions	15	15,000,000	16,832,805	1,832,805
Political party registration fees		-	39,200	39,200
Investment revenue		15,000,000	16,579,747	1,579,747
Other operating revenue	15.1	-	213,858	213,858
Total revenue		1,532,100,000	1,533,936,805	1,836,805
Expenditure				
Employee-related costs	16	(655,200,000)	(646,101,890)	9,098,110
Goods and services	17, 19, 20, 21, 22, 23	(851,900,000)	(706,740,658)	145,159,342
Depreciation, amortisation and impairment	18	(62,000,000)	(59,092,628)	2,907,372
Total expenditure		(1,569,100,000)	(1,411,935,176)	157,164,824
Deficit on disposal of assets	24	-	(3,338,621)	(3,338,621)
Surplus/(deficit) for the year		(37,000,000)	118,663,008	155,663,008

* R151 847 863 of the R157 164 824 underspend is attributable to the costs budgeted for the second registration weekend. When the allocation was determined in the Medium-term Expenditure Framework (MTEF) process, both the registration weekends planned for the 2016 Municipal Elections were planned to take place in the 2015/16 financial year. However, when detailed plans were finalised, it was determined that the second registration weekend would take place on 9 and 10 April 2016.

Electoral Commission

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

Basis of preparation

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless otherwise specified. A summary of the significant accounting policies, which have been consistently applied, except where an exemption or transitional provision has been granted, are disclosed below.

Statement of compliance

The annual financial statements have been prepared in accordance with the effective Standards of GRAP, including any interpretations and directives issued by the Accounting Practices Board.

The financial statements encompass the reporting as specified in the PFMA.

Going-concern assumption

The financial statements have been prepared on a going-concern basis. The Electoral Commission is fully dependent on the state for funding.

Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior-period comparative amounts are restated, unless a Standard of GRAP does not require the restatement of comparative information. The nature and reason for the reclassification are disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior-year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior-year comparatives are restated accordingly.

Functional and presentation currency

The financial statements are presented in South African rand, which is the Electoral Commission's functional currency. All information has been rounded off to the nearest rand.

Budgetary information

The budget and the accounting bases differ. The financial statements for the Electoral Commission are

prepared on the accrual basis, using a classification based on the nature of expenses in the Statement of Financial Performance. The budget is approved on the cash basis. A reconciliation between the actual amounts on a comparable basis as presented in the Statement of Financial Performance and the budget documents for the year under review is presented in Note 32 to the annual financial statements.

Offsetting

Assets, liabilities, revenue and expenses have not been offset, except when offsetting is permitted or required by a Standard of GRAP.

New standards, amendments to existing standards adopted

During the current financial year, the following GRAP standards became effective and were adopted:

- GRAP 18: Segment reporting
- GRAP 100: Discontinued operations

1.1 Significant judgments and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements.

Significant estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

Trade and other receivables

The Electoral Commission assesses its trade receivables and other receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in surplus or deficit, the Electoral Commission makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. The impairment for trade and other receivables is calculated on a portfolio basis and all debts over three months old, where payments are not being received, are impaired.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

Useful lives of property, plant and equipment, and intangible assets

The Electoral Commission determines the estimated useful lives and related depreciation charges for property, plant and equipment, and intangible assets. This estimate is based on the condition and use of the individual assets in order to determine the remaining period over which the asset can and will be used.

Provisions

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

1.2 Financial instruments

The Commission's financial assets comprise trade and other receivables from exchange transactions, and cash and cash equivalents. Financial assets are categorised, according to their nature, as either financial assets at fair value, financial assets at amortised cost or financial assets at cost.

The Commission's financial liabilities comprise trade and other payables from exchange transactions. The subsequent measurement of financial assets and liabilities depends on this categorisation.

Initial recognition

Financial assets and liabilities are only recognised in the Statement of Financial Position when the Electoral Commission becomes a party to the contractual provisions of the instrument. The Electoral Commission recognises financial assets using trade date accounting.

Measurement

When a financial asset or financial liability is initially recognised, the Electoral Commission measures it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, financial assets and liabilities are measured as described below.

Trade and other receivables from exchange transactions

Trade and other receivables from exchange transactions originated by the Electoral Commission classified as financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

At the end of each reporting period, the carrying amount of trade and other receivables is reviewed to determine whether there is any objective evidence that an impairment loss has occurred. If there is objective evidence that an impairment loss has been incurred, for example, a default on payment arrangements or a delinquent debtor, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account, and the amount of the gain or loss is recognised in the Statement of Financial Performance.

Cash and cash equivalents

Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less, and are subject to an insignificant risk of change in value.

For purposes of the Cash Flow Statement, as well as the Statement of Financial Position, cash and cash equivalents comprise cash on hand and other short-term investments. Cash and cash equivalents are measured at amortised cost.

Trade and other payables from exchange transactions

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

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

Derecognition of financial instruments

Financial assets are derecognised when the Electoral Commission loses control of the contractual rights that comprise the financial assets. The Electoral Commission loses control if the right to benefits specified in the contract are realised, the rights expire or the Electoral Commission surrenders those rights.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Electoral Commission

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

Offsetting

A financial asset and a financial liability shall be offset and the net amount presented in the Statement of Financial Position when and only when the Electoral Commission:

- currently has a legally enforceable right to set off the recognised amounts; and
- intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.3 Inventories

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

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

Electoral and promotional items stock is subsequently measured at the lower of cost and current replacement cost where they are held for distribution at no charge. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Consumable stores are subsequently measured at the lower of cost and net realisable value. Net realisable value is the estimated value in use in the ordinary course of business, less the estimated costs of completion. Net realisable value for consumables is assumed to approximate the cost price due to the relatively short period that these assets are held in stock.

When inventories are sold, exchanged or distributed, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when the goods are distributed, or related service is rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods and services or for administrative purposes, and are expected to be used during more than one financial period.

An item of property, plant and equipment is recognised as an asset if it is probable that economic benefits or service potential associated with the item will flow to the Electoral Commission and the cost can be measured reliably. Property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Elements of cost include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and the obligation which the Electoral Commission incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Property, plant and equipment are stated in the Statement of Financial Position at cost less any subsequent accumulated depreciation and impairment losses. These assets are depreciated on the straight-line basis at rates that will result in each asset being written off over its useful life. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

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

<i>Class</i>	<i>Estimated useful life in years</i>
Prefabricated buildings	10–30 years
Furniture and fittings	10–15 years
Motor vehicles	5 years
Office machines and equipment	5–10 years
Computer equipment	3–20 years
Scanners (zip-zips)	7–10 years
Cell phones	3 years
Appliances	5–10 years

Electoral Commission

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

Leasehold improvements are capitalised, as the Electoral Commission controls the assets for the period of the lease. Leasehold improvements are depreciated over the shorter of the lease term and the assets' useful lives.

The Electoral Commission reviews the useful lives, residual values and depreciation methods of items of property, plant and equipment at least annually. Where expectations differ from previous estimates, the change(s) are accounted for as a change in accounting estimate.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Electoral Commission and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Derecognition

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

1.5 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the Electoral Commission; and
- the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset shall be measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

The cost of a purchased heritage asset comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and

- any costs directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by management; directly attributable expenditure includes, for example, costs initially incurred to acquire and assess the state of the heritage asset, costs to restore it, costs initially incurred to remove it or restore the site where it was located, professional fees, property transfer taxes, initial delivery and handling costs, installation and assembly costs, and other transaction costs.

After recognition as an asset, a heritage asset is not depreciated and is carried at cost less accumulated impairment losses.

The Electoral Commission will assess at each reporting date whether there is an indication that heritage assets may be impaired. If any such indication exists, the Electoral Commission shall estimate the recoverable amount or the recoverable service amount of the heritage asset. In assessing whether there is an indication that an asset may be impaired, the Electoral Commission shall consider, as a minimum, the following indications:

External sources of information:

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

Internal sources of information:

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

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

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

The carrying amount of a heritage asset shall be derecognised:

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

The gain or loss arising from the derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the

Electoral Commission

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

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

1.6 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset shall be measured initially at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition shall be measured at its fair value as at that date.

The cost of an intangible asset comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; directly attributable expenditure includes, for example, professional fees, initial delivery and handling costs, installation and assembly costs, and other transaction costs.

Acquired intangible assets

Intangible assets are recognised when it is probable that future economic benefits specifically attributable to the assets will flow to the Electoral Commission and the cost of the intangible assets can be measured reliably. Intangible assets are stated at cost less any accumulated amortisation and impairment losses.

Internally generated intangible assets

Internally generated intangible assets arising from the development phase of internal projects are recognised when:

- the Electoral Commission has an intention to complete and use the intangible asset, and adequate technical, financial and other resources to complete the development are available;
- the intangible asset will generate probable future economic benefits or service potential; and
- the Electoral Commission is able to measure the expenditure attributable to the intangible asset reliably during its development.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives.

<i>Item</i>	<i>Estimated useful life in years</i>
Computer software	5–10 years

The amortisation period and the amortisation method for intangible assets are reviewed at the end of each reporting period.

Intangible assets not ready for use are not amortised.

The carrying amount of an intangible asset shall be derecognised:

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

1.7 Non-current assets held for sale

The Electoral Commission classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset must be available in its present condition and the sale must be highly probable.

A sale is highly probable if the appropriate level of management is committed to a plan to sell. This means that the Electoral Commission must:

- have begun an active programme to locate a buyer and complete the sale;
- be actively marketing the asset at a price that is reasonable, compared to its current fair value;
- have made a sale to be completed within one year from the date of classification, unless a delay is caused by events beyond the Electoral Commission's control; and
- carry out actions required to complete the plan, which should indicate that it is not likely that there will be significant changes made to the plan or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell. When the sale is expected to occur beyond one year, costs to sell are measured at their present value. Any increase in the present value of the costs to sell that arises from the passage of time shall be presented in surplus or deficit as a financing cost.

Non-current assets held for sale are not depreciated.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1.8 Revenue from exchange transactions

Revenue from exchange transactions refers to revenue that accrued to the Electoral Commission directly in return for services rendered or goods sold, the value of which approximates the fair value of the consideration received or receivable.

When goods or services are exchanged or swapped for goods or services that are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

Political party registration income is recognised on receipt.

Investment revenue comprises interest income on invested funds. Interest income is recognised on a time-proportion basis using the effective interest method.

1.9 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the Electoral Commission receives revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions includes parliamentary allocations and sponsorship income.

Parliamentary allocations and sponsorship income are recognised when there is reasonable assurance that the Electoral Commission will comply with the conditions attached to them, and the allocation will be received.

Revenue is recognised when it is probable that future economic benefits will flow to the Electoral Commission and these benefits can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as

revenue, except to the extent that a liability is also recognised in respect of the same inflow.

Measurement

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

1.10 The effects of changes in foreign exchange rates

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items (i.e. cash and cash equivalents, trade receivables from exchange transactions, and trade and other payables from exchange transactions) are translated using the closing rate.

Non-monetary items (i.e. property, plant and equipment) are translated using the exchange rate either at the date that the transaction occurred (when these items are carried at historical cost) or when fair value is determined (when these items are carried at revalued amounts).

Foreign currency differences arising from settlement or translation of monetary items are included in surplus or deficit, whereas any differences on translation of non-monetary items are included either in net assets (where any gains or losses on those items are recognised in net assets) or surplus or deficit.

1.11 Finance cost

Finance cost comprises the following:

- Interest expense
- Unwinding of the discount on provisions

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

Electoral Commission

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

1.12 Donor-funded projects

In terms of donor requirements contained in financial agreements with benefactors, unexpended donor funds ring-fenced for specific projects are reflected as current liabilities in circumstances where such funds are repayable to donors in the event of the funds not being utilised on the specific project.

Unexpended donor funds that are not required to be repaid and that relate to completed projects are treated as operating income in the year that the projects are deemed completed.

1.13 Taxation

No provision is made for taxation as the Electoral Commission is exempt from tax in terms of Section 10(1)(cA) of the Income Tax Act. The Electoral Commission is not registered for value-added tax (VAT).

1.14 Segment reporting

A segment is an activity of an entity:

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

The Electoral Commission is organised into geographical areas and has a national office, nine provincial offices, 10 warehouses and 234 local offices. All services to voters and potential voters are delivered at all provincial and local offices. The national office is responsible for strategic and support services.

1.15 Leases

Operating leases as the lessee

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the term of the relevant lease.

1.16 Employee benefit cost

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are recognised in the

Statement of Financial Performance in the reporting period that the related service is delivered.

Termination benefits

Termination benefits are recognised as an expense when the Electoral Commission is demonstrably committed, without the realistic possibility of withdrawal, to a formal detailed plan either to terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Electoral Commission has made an offer of voluntary redundancy, if it is probable that the offer will be accepted and if the number of acceptances can be estimated reliably.

Retirement benefits – defined contribution plans

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

The Electoral Commission operates defined contribution retirement benefit plans for its employees.

The assets of the plans are held separately from those of the Electoral Commission under the control of trustees.

Payments to the defined contribution plan are recognised as an expense as they fall due in the Statement of Financial Performance.

Accrual for leave pay

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual based on the basic salary is raised for estimated liabilities as a result of services rendered by employees up to the reporting date.

1.17 Impairment of assets

Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return. The Electoral Commission assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Electoral Commission estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of the fair value of an asset or cash-generating unit (CGU) less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

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

Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets. The Electoral Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Electoral Commission estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less the costs of disposal. The Electoral Commission assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Electoral Commission

estimates the recoverable service amount of that asset. An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.18 Irregular expenditure

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

- The PFMA
- The State Tender Board Act, Act 86 of 1968, or any regulations made in terms of the Act
- Any provincial legislation providing for procurement procedures in that provincial government

National Treasury Practice Note No 4 of 2008/09, which was issued in terms of sections 76(1) to 76(4) of the PFMA, requires that from 1 April 2008, irregular expenditure that was incurred and identified during the current financial year and that was condoned before year-end and/or before finalisation of the financial statements is recorded appropriately in the irregular expenditure register. In such an instance, no further action is taken except that the note to the financial statements is updated.

All irregular expenditure is recognised in the annual financial statements in the period in which it is incurred and disclosed separately.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and, where recovered, is subsequently accounted for as revenue in the Statement of Financial Performance.

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by National Treasury or the relevant

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

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

1.19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised.

The expenditure is accounted for as expenditure in the Statement of Financial Performance and is classified in accordance with the nature of the expense. Where recovered, it is accounted for as revenue in the Statement of Financial Performance.

1.20 Unauthorised expenditure

Unauthorised expenditure means:

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

The expenditure is accounted for as expenditure in the Statement of Financial Performance and is classified in accordance with the nature of the expense. Where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Provisions, commitments and contingencies

Provisions

A provision is a liability where the timing or amount of the outflow of resources embodying economic benefits or service potential is uncertain.

A provision is recognised when:

- the Electoral Commission has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditure expected to be required to settle the present obligation. The discount rate shall reflect current market assessments of the time value of money and risks specific to the liability.

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

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

A provision is only used for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating losses.

Commitments

A commitment is an agreement between two or more parties that is binding on those parties to the degree that to renege on the agreement will be costly.

Commitments represent orders issued to suppliers that have been approved, but where no delivery has taken place as at year-end, and contractual commitments.

Commitments are not recognised as liabilities or assets in the Statement of Financial Position, but are included in the disclosure notes.

The Electoral Commission discloses the amount of contractual commitments for the acquisition of property, plant and equipment, and intangible assets.

An onerous contract is a contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it. The Electoral Commission has no onerous contracts.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2016

Contingent liabilities

A contingent liability is a possible obligation that arises from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are beyond the control of the Electoral Commission.

Alternatively, a contingent liability is a present obligation that arises from past events, but which is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure note.

Contingent assets

Contingent assets arise from unplanned or other unexpected events that are not wholly within the control of the Electoral Commission and give rise to the possibility of an inflow of economic benefits or service potential to the Electoral Commission. Contingent assets are not recognised.

1.22 Related parties

Related-party transactions are transactions that involve the transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Related-party relationships exist throughout the public sector for the following reasons:

- Constitutional institutions, departments and municipalities are subject to the overall direction of an executive government or council, and ultimately, Parliament, and operate together to achieve the policies of government.
- Constitutional institutions, departments and municipalities frequently conduct activities

necessary for the achievement of different parts of their responsibilities and objectives through separate controlled entities, and through entities over which they have significant influence.

- Public entities enter into transactions with other government entities on a regular basis.
- Ministers, councillors or other elected or appointed members of the government and other members of management can exert significant influence over the operations of the Electoral Commission.

Implicit in the definition of related party are other government entities and joint ventures that have a significant influence on the Electoral Commission and its activities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Electoral Commission directly or indirectly.

2. EFFECT OF NEW STANDARDS AND INTERPRETATIONS OF GRAP

The following standards and interpretations of GRAP have been approved, but are not yet effective:

- GRAP 20: Related-party disclosure
- GRAP 32: Service concession arrangement: grantor
- GRAP 108: Statutory receivables
- GRAP 109: Accounting by principals and agents

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

The adoption of these standards of GRAP, when they become effective, is not expected to have a significant impact on the financial statements. The Electoral Commission does not participate in the transactions covered by GRAP 32, GRAP 108 and GRAP 109. The effects of GRAP 20 are similar to those already applied under IPSAS 20.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

3. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

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

Financial assets recognised at amortised cost

Accrued interest	5	446,698	180,323
Cash and cash equivalents	4	341,001,580	157,468,609
Cash collateral provided: property rentals	5	11,060,550	9,932,147
Sponsorship income receivable	5	-	8,208,000
Sundry receivables	5	1,314,928	1,036,235
		353,823,756	176,825,314

Financial assets have not been pledged as collateral for liabilities or contingent liabilities.

Financial liabilities recognised at amortised cost

Trade and other payables	11	176,110,972	72,946,800
		176,110,972	72,946,800

4. CASH AND CASH EQUIVALENTS

Cash on hand	181,895	193,022
Bank balances	70,784,126	22,675,647
Short-term notice deposits	270,035,559	134,599,940
	341,001,580	157,468,609

The notice deposits are carried at an effective floating interest rate that varied between 5.30% and 6.13% (2015: 5.00% and 5.67%).

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

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

5. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Accrued interest		446,698	180,323
		11,060,550	9,932,147
Cash collateral provided: property rentals		11,123,010	9,980,107
Less: Impairment allowance		(62,460)	(47,960)
Sundry receivables			
Prepayments	5.1	4,825,753	8,997,898
Sponsorship income receivable		-	8,208,000
		1,314,928	1,036,235
Sundry receivables		3,190,676	1,510,231
Less: Impairment allowance		(1,875,748)	(473,996)
Sundry receivables			
		17,647,929	28,354,603

Trade and other receivables past due but not impaired

At 31 March 2016, there were no debts that were past due but not impaired (2015: none).

Trade and other receivables impaired

As of 31 March 2016, trade and other receivables of R1 938 208 (2015: R521 956) were impaired and provided for. Factors taken into account when considering impairment included the age of the debt and the likelihood of recovery.

The ageing of impaired debts is as follows:

Not due	1,531,946	47,960
31–120 days past due	21,833	4,174
120–365 days past due	218,484	100,518
More than 365 days past due	165,945	369,304
	1,938,208	521,956

Reconciliation of allowance for impairment of trade and other receivables

Opening balance	521,956	576,985
Provision for impairment	1,416,252	-
Unused amounts reversed	-	(55,029)
	1,938,208	521,956

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

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

Trade and other receivables pledged as security

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

5.1 Prepayments

Deposit for election venue	2,000,000	-
Administrative expenses	122,854	38,253
Software licences	1,044,340	8,544,331
Subscription and membership	1,658,559	415,314
	4,825,753	8,997,898

6. INVENTORIES

Consumable stores: stationery	694,553	512,772
Promotional items	32,197	44,694
Electoral stock	44,662,726	7,299,752
	45,389,476	7,857,218

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

Inventories are not pledged as security.

7. PROPERTY, PLANT AND EQUIPMENT

(all figures in rand)

	31 March 2016			31 March 2015		
	Cost	Accumulated depreciation and impairment losses	Carrying amount	Cost	Accumulated depreciation and impairment losses	Carrying amount
Appliances	4,943,745	(3,100,715)	1,843,030	4,909,808	(2,692,126)	2,217,682
Cell phones	535	(501)	34	2,530	(2,040)	490
Computer equipment	145,352,743	(87,671,199)	57,681,544	151,594,956	(98,191,364)	53,403,592
Furniture and fittings	73,452,834	(25,764,577)	47,688,257	65,536,708	(22,212,016)	43,324,692
Leasehold improvements	4,002,613	(1,901,374)	2,101,239	2,697,860	(1,646,402)	1,051,458
Motor vehicles	65,420,670	(24,626,373)	40,794,297	64,339,139	(22,886,815)	41,452,324
Office equipment	41,518,477	(27,370,708)	14,147,769	40,071,014	(24,800,772)	15,270,242
Prefabricated buildings	11,403,173	(918,007)	10,485,166	7,041,493	(624,995)	6,416,498
Scanners	181,988,633	(132,414,139)	49,574,494	182,169,378	(112,771,226)	69,398,152
Total	528,083,423	(303,767,593)	224,315,830	518,362,886	(285,827,756)	232,535,130

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reconciliation of property, plant and equipment – 31 March 2016

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Appliances	2,217,682	98,857	(4,182)	(454,719)	(14,608)	1,843,030
Cell phones	490	-	(392)	(64)	-	34
Computer equipment	53,403,592	17,685,906	(1,751,662)	(11,574,944)	(81,348)	57,681,544
Furniture and fittings	43,324,692	8,925,296	(191,947)	(4,238,480)	(131,304)	47,688,257
Leasehold improvements	1,051,458	1,304,753	-	(254,972)	-	2,101,239
Motor vehicles	41,452,324	7,017,113	(2,645,861)	(5,001,376)	(27,903)	40,794,297
Office equipment	15,270,242	3,052,431	(88,894)	(4,058,567)	(27,443)	14,147,769
Prefabricated buildings	6,416,498	4,367,101	(2,542)	(295,891)	-	10,485,166
Scanners	69,398,152	-	(45,162)	(19,778,496)	-	49,574,494
Total	232,535,130	42,451,457	(4,730,642)	(45,657,509)	(282,606)	224,315,830

There are no restrictions on title and disposal of property, plant and equipment. Property, plant and equipment are not pledged as securities for liabilities. Asset condition and technological obsolescence were taken into consideration when determining whether the asset should be impaired.

Reconciliation of property, plant and equipment – 31 March 2015

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Appliances	2,609,274	109,125	(5,286)	(490,792)	(4,639)	2,217,682
Cell phones	786	-	-	(173)	(123)	490
Computer equipment	64,556,784	5,032,703	(403,504)	(15,762,088)	(20,303)	53,403,592
Furniture and fittings	47,195,664	544,084	(41,653)	(4,259,443)	(113,960)	43,324,692
Leasehold improvements	301,874	908,143	-	(158,559)	-	1,051,458
Motor vehicles	47,081,665	1,206,564	(736,497)	(6,099,408)	-	41,452,324
Office equipment	19,017,357	719,949	(52,136)	(4,386,406)	(28,522)	15,270,242
Prefabricated buildings	5,977,054	666,340	-	(225,913)	(983)	6,416,498
Scanners	89,466,316	-	(225,616)	(19,842,548)	-	69,398,152
Total	276,206,774	9,186,908	(1,464,692)	(51,225,330)	(168,530)	232,535,130

8. HERITAGE ASSETS

(all figures in rand)

	31 March 2016			31 March 2015		
	Cost	Accumulated impairment losses	Carrying amount	Cost	Accumulated impairment losses	Carrying amount
Artwork	1,667,237	(3,528)	1,663,709	1,664,904	(1,194)	1,663,710

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reconciliation of heritage assets – 31 March 2016

	Opening balance	Additions	Disposals	Impairment loss	Closing balance
Artwork	1,663,710	-	-	(1)	1,663,709

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

Reconciliation of heritage assets – 31 March 2015

	Opening balance	Additions	Disposals	Impairment loss	Closing balance
Artwork	1,664,486	-	(761)	(15)	1,663,710

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

Heritage assets are not pledged as securities for liabilities.

9. INTANGIBLE ASSETS

(all figures in rand)

	31 March 2016			31 March 2015		
	Cost	Accumulated depreciation and impairment losses	Carrying amount	Cost	Accumulated depreciation and impairment losses	Carrying amount
Computer software	170,203,199	(76,531,871)	93,671,328	136,202,304	(64,616,797)	71,585,507

Reconciliation of intangible assets – 31 March 2016

	Opening balance	Additions	Disposals	Amortisation	Closing balance
Computer software	71,585,507	35,822,295	(583,960)	(13,152,514)	93,671,328

Reconciliation of intangible assets – 31 March 2015

	Opening balance	Additions	Assets brought into use	Amortisation	Closing balance
Computer software	74,842,092	8,865,744	-	(12,122,329)	71,585,507
Intangible assets under development	1,349,999	-	(1,349,999)	-	-
	76,192,091	8,865,744	(1,349,999)	(12,122,329)	71,585,507

Intangible assets are not pledged as securities for liabilities.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. NON-CURRENT ASSETS HELD FOR SALE AND ASSETS OF DISPOSAL GROUPS

	31 March 2016		
	Cost	Accumulated depreciation	Carrying amount
Opening balance	24,524,413	(22,510,977)	2,013,436
Computer equipment	296,048	(290,245)	5,803
Office machines and equipment	403,708	(387,494)	16,214
Furniture and fittings	307,110	(227,991)	79,119
Appliances	32,203	(25,843)	6,360
Motor vehicles	270,264	(173,679)	96,585
Total	25,833,746	(23,616,229)	2,217,517
Less: Disposals	(18,747,485)	16,803,225	(1,944,260)
Increase in impairment allowance – non-current assets held for sale	-	(202,121)	(202,121)
	7,086,261	(7,015,125)	71,136

The assets listed above will be disposed of during the 2016/17 financial year.

2016: Electoral Commission donated vehicles with a book value of R1 425 661 and computer equipment with a book value of R627 330 to the Department of International Relations and Cooperation.

	31 March 2015		
	Cost	Accumulated depreciation	Carrying amount
Opening balance	1,487,897	(1,487,448)	449
Computer equipment	18,805,340	(17,693,127)	1,112,213
Office machines and equipment	807,444	(769,822)	37,622
Furniture and fittings	200,998	(172,911)	28,087
Appliances	21,475	(17,925)	3,550
Motor vehicles	3,230,474	(2,112,184)	1,118,290
Total	24,553,628	(22,253,417)	2,300,211
Less: Disposals	(29,215)	29,196	(19)
Increase in impairment allowance – non-current assets held for sale	-	(286,756)	(286,756)
	24,524,413	(22,510,977)	2,013,436

Non-current assets held for sale and assets of disposal groups represent assets approved by the Electoral Commission for disposal as they are damaged beyond repair, obsolete or surplus to requirements.

These assets are not disclosed separately in the relevant asset classes on the Statement of Financial Position in terms of GRAP 100.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

11. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	79,320,199	27,030,816
Payroll payables	16,775,428	6,313,771
Leave pay accruals	54,068,437	39,186,607
Deposits received	72,000	83,600
EFTs not cleared for payment at year-end	25,874,908	332,006
	176,110,972	72,946,800

12. OPERATING LEASE LIABILITY

Operating lease straight lining

Leases – straight lining	40,503,467	37,917,800
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Total minimum lease payments

Not later than one year	71,836,852	60,518,584
Later than one year and not later than five years	238,287,207	204,337,093
Later than five years	43,621,580	21,051,076
	353,745,639	285,906,753

The minimum lease payments reflected above relate to building lease commitments only. Other contractual commitments are included under Note 26.

Operating lease payments represent rentals payable by the Electoral Commission, including the national office, nine provincial offices, 10 warehouses and 268 local offices. No contingent rent is payable. New contracts entered into have an average term of five to seven years and escalate at an average of 10% per annum. The Commission has leased 70 municipal electoral offices from various municipalities across the country at no cost.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. PROVISIONS

Reconciliation of provisions

	Opening balance	Paid during the year	Additional provisions made in the year	Closing balance
March 2016				
COIDA	187,772	(187,772)	-	-
March 2015				
COIDA	518,399	(518,399)	187,772	187,772

A provision is made for the estimated liability in respect of the Compensation for Occupational Injuries and Diseases Act (COIDA) in respect of employees who are injured on duty. The COIDA provision is calculated based on estimated staff costs for the year at the rate determined by the Act. The final amount payable will be determined by the actual staff costs and will be payable within one year from the date of the annual financial statements.

Note	31 March 2016	31 March 2015
	R	R

14. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Parliamentary allocation	1,517,104,000	1,553,617,000
Sponsorship revenue	-	20,780,000
	1,517,104,000	1,574,397,000

Sponsorship revenue reflected in the prior period represented revenue received from sponsors for the results operations centres for the elections.

15. REVENUE FROM EXCHANGE TRANSACTIONS

Political party registration fees	39,200	6,800
Investment revenue	16,579,747	10,023,661
Other operating revenue	15.1 213,858	572,241
	16,832,805	10,602,702

Investment revenue represents interest received on cash and cash equivalents.

15.1 Other operating revenue

Elections-related revenue	16,253	11,380
Commissions earned	38,422	47,300
SMS services	15,218	99,806
Other operating income	143,965	413,755
	213,858	572,241

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

16. EMPLOYEE-RELATED COSTS

Wages and salaries	560,303,598	497,064,462
Remuneration allowances	396,295	271,907
Employer contributions to defined benefit plans	31,581,810	28,740,180
Employer contributions: other	30,480,017	34,402,597
Leave provision	19,772,998	8,297,631
Lump sums – retirement	3,008,184	2,739,995
Relocation costs	558,988	499,149
	646,101,890	572,015,921

17. GOODS AND SERVICES

Advertising	74,125,628	37,465,669
Bank charges	1,089,557	2,974,629
Catering	1,844,012	8,581,982
Communications and connectivity	43,180,871	60,530,144
Conferences and workshops	48,507,718	88,143,800
Consumables	11,457,719	13,992,145
Electoral staff subsistence and travel	57,781,203	244,116,082
Insurance	2,497,145	2,546,584
Inventory	18,467,364	35,239,374
Printing and stationery	29,113,703	39,854,598
Professional services	172,204,887	194,886,045
Property expenses – other	15,214,585	12,809,511
Property expenses – voting station rentals	13,965,383	11,796,754
Rentals equipment	5,322,499	16,377,838
Software licences	32,113,769	20,157,530
Storage and distribution costs	16,461,346	23,934,095
Study expenditure	1,367,865	1,953,273
Subscriptions and membership fees	829,041	480,628
Subsistence and travel	18,562,980	23,144,441
Sundry expenditure	41,604	54,160
Travel expenses	32,167,038	38,470,901
	596,315,917	877,510,183

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

18. DEPRECIATION, AMORTISATION AND IMPAIRMENT

Amortisation	13,152,514	12,122,329
Depreciation	45,657,509	51,225,330
Increase in impairment allowance – heritage assets	1	15
Increase in impairment allowance – property, plant and equipment	282,604	455,285
	59,092,628	63,802,959

19. AUDIT FEES

Auditor-General	6,028,891	6,285,126
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20. LEASE RENTAL COSTS

Lease rental costs	79,229,815	72,783,986
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The lease rental cost is the smoothed cost of the rentals paid for the national office, provincial and municipal offices and warehouses.

21. FINANCE COSTS

Interest paid on late payments to suppliers	19,753	16,789
Exchange loss	3,577	3,880
	23,330	20,669

22. DEBT IMPAIRMENT

Write-offs	166,700	251,333
Debt impairment	1,416,249	(55,029)
	1,582,949	196,304

23. REPAIRS AND MAINTENANCE

Appliances	1,060	4,386
Buildings	2,477,055	2,783,907
Cell phones	-	739
Computer equipment	1,317,897	3,302,334
Furniture and fittings	23,251	14,894

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R
Motor vehicles	3,685,391	3,218,882
Office equipment	15,894,885	13,696,286
Voting stations	-	186,999
Security	160,217	-
	23,559,756	23,208,427

24. DEFICIT ON DISPOSAL OF ASSETS

Deficit on disposal of property, plant and equipment	(3,338,621)	(56,029)
	(3,338,621)	(56,029)

25. CASH GENERATED FROM OPERATIONS

Surplus/(deficit) for the year		118,663,008	(30,879,902)
Adjustments for:			
Depreciation, amortisation and impairment	18	59,092,628	63,802,959
Deficit on disposal of assets	24	3,338,621	56,029
Movements in operating lease liability and accruals		2,585,667	3,772,665
Movements in provisions		(187,772)	(330,627)
Changes in working capital:			
(Increase)/decrease in inventories		(37,532,258)	35,239,490
Decrease/(increase) in trade and other receivables from exchange transactions		10,706,671	(5,444,465)
(Increase)/decrease in trade and other payables from exchange transactions		103,164,179	(46,264,805)
		259,830,744	19,951,344

26. COMMITMENTS

Commitments for capital expenditure

Contracted but not provided for	-	-
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Commitments for operational expenditure

Contracted	133,347,353	49,433,373
Approved but not contracted	43,577,296	13,097,082
Total commitments	176,924,649	62,530,455

Commitments disclosed take into consideration the escalation clauses as per the contractual agreements.

The operating lease commitments have been disclosed in the operating lease liability note (Note 12).

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

27. CONTINGENCIES

Legal claims	13,722,832	11,738,207
Staff claims	1,700,779	1,082,371
Total contingencies	15,423,611	12,820,578

Legal claims relate to civil claims against the Electoral Commission, while staff claims relate to cases currently under consideration in terms of internal policies, by the CCMA or with the courts. The likelihood of these claims succeeding is difficult to determine. The increase in legal claims relates to, among others, interest incurred while the matter is pending completion.

28. FINANCIAL INSTRUMENT RISK MANAGEMENT

Financial risk management

The Electoral Commission's activities have limited exposure to credit risk, liquidity risk and market risk. Risk management is carried out by the Executive Risk Management Committee under policies approved by the Commission.

The Electoral Commission has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash through proper management of working capital, capital expenditure and cash. Due to the dynamic nature of its underlying operations, the Electoral Commission aims to maintain sufficient funding through a robust MTEF budgeting process.

The following are the contractual maturities of financial liabilities:

	Carrying amounts R	Contractual cash flow R	1–12 months R	2–5 years R	Later than 5 years R
2016					
Trade and other payables	176,110,972	176,110,972	176,110,972	-	-
2015					
Trade and other payables	72,946,800	72,946,800	72,946,800	-	-

Credit risk

The Electoral 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 occur out of the country, debts only result from signed agreements.

With respect to credit risk arising from cash and cash equivalents, cash is placed with authorised financial institutions. The carrying amounts of the financial assets represent the maximum credit exposure.

The maximum exposure at the reporting date was:

Cash and cash equivalents (Note 4)	341,001,580	157,468,609
Trade and other receivables from exchange transactions	17,647,929	28,354,603
	358,649,509	185,823,212

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

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

Cash collateral provided (Note 5)	11,123,010	9,980,107
Accrued interest – major South African banks	446,698	180,323
Sundry receivables – staff and suppliers (Note 5)	3,190,676	9,718,231
Less: Impairment allowance	(1,938,208)	(521,956)
	12,822,176	19,356,705

Impairment losses

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

Not past due	12,822,176	19,356,705
Past due 0–30 days	-	-
Past due 31–120 days	-	-
Past due 121–365 days	-	-
Past due – more than a year	-	-
	12,822,176	19,356,705

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

An amount of R1 938 208 has been provided for as doubtful debts and is included in the amounts disclosed above. This provision relates to identified invoices that were considered doubtful and were not committed for payment.

Cash flow

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

Parliamentary allocation	1,517,104,000	1,553,617,000
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29. RELATED PARTIES

Key management compensation

	Salary	Short-term benefits	Heightened activity	Total 2016	Total 2015
Commissioners					
Chairperson*	-	-	-	-	1,199,878
Chairperson**	1,248,017	719,383	-	1,967,400	-
Vice-Chairperson	1,275,711	839,782	-	2,115,493	2,111,010
Full-time commissioner	1,275,711	839,782	-	2,115,493	2,111,010
Part-time commissioner	-	-	-	-	491,718
	3,799,439	2,398,947	-	6,198,386	5,913,616

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

* For the period 1 April 2014 to 30 September 2014.

** Commissioner from 18 May 2015 and Chairperson from 14 October 2015.

Commissioners do not qualify for membership of the Government Employees' Pension Fund (GEPF).

An amount of R16 031 was advanced to the Vice-Chairperson to cover medical expenses incurred while out of the country on Commission business. As at 31 March 2016, R5 343 remained to be recovered, which was recovered in April 2016.

Commissioners are entitled to the benefits of a Director-General of a government department. Payment to commissioners had, until October 2015, included the 10% cash allowance benefit. It was determined during the course of the 2015 audit that this benefit should not have been paid. The Presidency has been approached to condone this payment, and, until such time as the matter has been resolved, no debtor has been created. The details of the gross amount expensed are set out below. However, payments were made net of taxation.

	2016	2015 and prior	Total
Commissioners			
Chairperson*	-	430,651	430,651
Chairperson**	69,229	-	69,229
Vice-Chairperson	93,309	528,121	621,430
Full-time Commissioner	93,309	581,950	675,259
	255,847	1,540,722	1,796,569

	Salary	Short-term benefits	Heightened activity	Total 2016	Total 2015
Executive management salaries					
CEO	1,866,183	612,814	259,600	2,738,597	2,459,995
DCEO				-	16,225
DCEO	1,593,334	230,385	220,742	2,044,461	1,753,247
DCEO	1,479,024	215,596	205,152	1,899,772	1,914,845
DCEO/Interim CFO	1,435,629	210,081	199,234	1,844,944	1,703,331
Chief Information Officer***	1,370,039	201,756	190,289	1,762,084	1,626,358
	7,744,209	1,470,632	1,075,017	10,289,858	9,474,001
Total key management compensation	11,543,648	3,869,579	1,075,017	16,488,244	15,387,617

Executive managers, as is the case for all employees, are members of the GEPF and will receive benefits in terms of the rules of the fund.

***2016: A desktop with a book value of R405 was sold to the CIO in 2016 for R1,000: No assets were sold to related parties.

31 March 2016	31 March 2015
R	R

Related-party transactions

Represented Political Parties Fund	994,691	837,994
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The balance is unsecured and has no fixed terms of repayment.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

30. IRREGULAR EXPENDITURE

Opening balance	147,698,810	112,196,902
Add: Irregular expenditure incurred in the current year	37,715,464	38,131,844
Add: Irregular expenditure incurred in previous years identified in current year	1,592,729	2,675,078
	187,007,003	153,003,824

Irregular expenditure relates to non-compliance with the Treasury Regulations and the Preferential Procurement Policy Framework Act (PPPFA).

Restatement of prior year balance of irregular expenditure

Closing balance of irregular expenditure as at 31 March 2015	153,003,824
Less: Irregular expenditure identified by the Auditor-General for the year ended 31 March 2015 that was disputed	(5,305,014)
Restated opening balance as at 31 March 2015	147,698,810

It was noted in the irregular expenditure note to the annual financial statements for the year ended 31 March 2015 that lump sum payments made to staff were determined by the Auditor-General to be irregular, and that this determination was disputed. The Electoral Commission indicated in those annual financial statements that we would seek legal opinion and take the matter up with the Auditor-General.

Legal opinion has been sought, which opinion confirms the view of the Electoral Commission that the payments were not irregular.

The matter remains in dispute and the final accounting for the transactions will be determined once the dispute is resolved.

Irregular expenditure incurred

Failure to obtain a tax clearance certificate in prior years	98,835	625,381
The failure to obtain tax clearance certificates is expenditure incurred in the current year under contracts entered into in prior years. Procedures have been implemented to prevent recurrence.		
Riverside Office Park – rentals	33,847,411	31,027,685
The Riverside Office Park transaction has been the subject of an investigation by the Public Protector and a forensic investigation.		
Contravention of Treasury Instruction Note 1 of 2013/14		
Failure to obtain the Accounting Officer's approval to employ consultants as required by Treasury Instruction Note 1 of 2013/14	-	638,542
eProcurement		
Instances were noted where the eProcurement system was used, but less than three responses were received. Reasons were not documented and approved.	1,287,621	-
Tax clearance certificates		
Tax clearance certificates are obtained and validated on the date of close of bids. The Auditor General have now indicated that a second check needs to be made to ensure that tax affairs remain in order for potential suppliers on the date of award of contract.	185,655	
Payment of benefits	255,847	-
Commissioners are entitled to the benefits of a DG of a government department. Payment to Commissioners had, until October 2015, included the 10% cash allowance benefit. It was determined during the course of the 2015 audit that this benefit should not have been paid. The Presidency has been approached to condone this payment, and, until such time as the matter has been resolved, no debtor has been created. The details of the gross amount expensed are included in irregular expenditure, payments were however made net of taxation.		
Other current year procurement non-compliance	2,040,095	3,100,241
Expenditure incurred in the current year where procurement processes were non-compliant. There is no loss to the Commission and consideration of the relevant processes to prevent recurrence, including disciplinary procedures where necessary, will be made.		
Total incurred	37,715,464	35,391,849

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note	31 March 2016	31 March 2015
	R	R

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

Investigations are ongoing in relation to transactions that have been identified as potentially irregular, and if confirmed as irregular, this will be disclosed in the year in which the irregularity is confirmed.

Expenditure awaiting condonation

Riverside Office Park – rentals

2015/16 expenditure	33,847,411	-
2014/15 expenditure	31,027,685	31,027,685
2013/14 expenditure	28,443,037	28,443,037
2012/13 expenditure	26,073,872	26,073,872
2011/12 expenditure	23,902,201	23,902,201
2010/11 expenditure	13,241,203	13,241,203
Failure to obtain a tax clearance certificate	10,435,223	10,336,388
10% commissioners	1,796,569	-
Failure to indicate evaluation criteria on requests for quotations over R30 000	9,791,729	9,791,729
Other non-compliant procurement	8,448,073	4,882,695
Total	187,007,003	147,698,810

Application has, or will be, made to the relevant condoning authority for condonation.

31. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure	76,785	56,572
Made up as follows:		
Opening balance	56,572	39,783
Add: Fruitless and wasteful expenditure in the current year	20,213	18,237
Less: Amounts recovered	-	(1,448)
	76,785	56,572

Amounts are being investigated and will either be written off or transferred to debtors.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

32. SEGMENT REPORTING

2016	National office	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Mpumalanga	Limpopo	Northern Cape	North-West	Western Cape	Total
Revenue											
Revenue from non-exchange transactions	1,517,104,000	-	-	-	-	-	-	-	-	-	1,517,104,000
Inter-segment transfers	(697,166,113)	163,269,714	94,213,258	84,053,891	110,695,969	50,710,564	57,095,579	39,660,993	43,783,765	53,682,380	-
Revenue from exchange transactions	16,779,439	10,062	7,532	18,812	4,016	1,921	5,012	2,038	2,336	1,637	16,832,805
Total segment revenue	836,717,326	163,279,776	94,220,790	84,072,703	110,699,985	50,712,485	57,100,591	39,663,031	43,786,101	53,684,017	1,533,936,805
Expenses											
Employee cost	(140,285,772)	(89,868,712)	(37,839,448)	(51,286,547)	(95,151,410)	(41,054,187)	(38,667,209)	(61,024,998)	(41,143,742)	(49,779,865)	(646,101,890)
Goods and services	(391,262,548)	(40,928,754)	(16,347,268)	(21,727,428)	(40,276,089)	(16,334,326)	(15,338,091)	(25,193,380)	(17,452,722)	(19,067,151)	(603,927,757)
Depreciation and amortisation	(45,566,568)	(2,201,760)	(1,033,032)	(1,358,794)	(2,296,577)	(1,045,145)	(1,434,517)	(1,570,479)	(1,158,692)	(1,427,064)	(59,092,628)
Finance cost	(3,767)	(1,534)	(2,185)	(6,504)	(512)	(7,292)	(30)	(800)	(397)	(309)	(23,330)
Lease rental costs	(35,086,501)	(8,762,819)	(2,371,435)	(4,062,507)	(4,927,917)	(5,516,829)	(4,162,902)	(4,435,557)	(4,102,374)	(5,800,974)	(79,229,815)
Repairs and maintenance	(18,774,851)	(814,581)	(492,958)	(296,199)	(1,115,017)	(254,457)	(347,547)	(619,253)	(295,499)	(549,394)	(23,559,756)
Total segment expenses	(630,980,007)	(142,578,160)	(58,086,326)	(78,737,979)	(143,767,522)	(64,212,236)	(59,950,296)	(92,844,467)	(64,153,426)	(76,624,757)	(1,411,935,176)
Surplus (deficit) on disposal of assets	(3,321,975)	(55,267)	208	(37,521)	47,384	-	44,091	17,109	24,844	(57,494)	(3,338,621)
Surplus/(deficit) for the year	202,415,344	20,646,349	36,134,672	5,297,203	(33,020,153)	(13,499,751)	(2,805,614)	(53,164,327)	(20,342,481)	(22,998,234)	118,663,008

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2016	National office	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Mpumalanga	Limpopo	Northern Cape	North-West	Western Cape	Total
Assets											
Current assets	354,719,449	5,745,498	3,870,229	9,537,854	7,539,613	4,145,247	5,407,345	2,467,346	4,152,241	6,454,163	404,036,985
Cash and cash equivalents	328,872,427	674,401	1,174,770	1,313,852	1,399,107	1,566,540	1,474,525	1,265,130	1,592,338	1,668,490	341,001,580
Trade receivables	14,209,152	562,835	198,792	459,134	276,945	344,880	381,741	49,087	229,253	936,110	17,647,929
Inventories	11,637,870	4,508,262	2,496,667	7,764,868	5,863,561	2,233,827	3,551,079	1,153,129	2,330,650	3,849,563	45,389,476
Non-current assets	220,769,569	14,413,641	7,266,472	9,250,148	19,836,495	5,836,685	11,054,350	14,213,567	8,557,426	8,452,514	319,650,867
PPE	125,629,640	14,300,229	7,253,310	9,225,023	19,825,772	5,829,426	11,054,350	14,205,994	8,541,756	8,450,330	224,315,830
Heritage	1,468,601	113,412	13,162	25,125	10,723	7,259	-	7,573	15,670	2,184	1,663,709
Intangibles	93,671,328	-	-	-	-	-	-	-	-	-	93,671,328
Total assets	575,489,018	20,159,139	11,136,701	18,788,002	27,376,108	9,981,932	16,461,695	16,680,913	12,709,667	14,906,677	723,689,852
Liabilities											
Total liabilities	185,749,678	5,697,590	1,551,906	2,689,924	4,974,304	2,172,914	3,761,960	4,187,766	2,213,145	3,615,252	216,614,439
Current liabilities	149,796,196	4,924,086	1,140,999	2,497,423	4,662,631	1,404,010	3,137,524	3,790,087	1,744,695	3,013,321	176,110,972
Non-current liabilities	35,953,482	773,504	410,907	192,501	311,673	768,904	624,436	397,679	468,450	601,931	40,503,467
Accumulated surplus	389,739,340	14,461,549	9,584,795	16,098,078	22,401,804	7,809,018	12,699,735	12,493,147	10,496,522	11,291,425	507,075,413
Total liabilities and net assets	575,489,018	20,159,139	11,136,701	18,788,002	27,376,108	9,981,932	16,461,695	16,680,913	12,709,667	14,906,677	723,689,852
Number of employees											
Permanent staff	137	172	55	76	144	61	96	59	77	69	946
Fixed-term staff	27	1,058	466	750	1,375	436	766	376	619	632	6,505
Number of offices	2	42	22	38	54	20	29	27	21	32	287

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

33. CHANGE IN ESTIMATE

Useful life review – property, plant and equipment

As per the accounting policy, the Electoral Commission reviews the useful lives of all the asset classes at the end of each reporting period. In management's best estimate, there was a change in estimate of the useful lives of the following asset classes and there was a resultant reduction in depreciation in the current period as a result of extension of the relevant useful lives of the assets listed below.

	Cost R	Accumulated depreciation R	Net book value R
Computer equipment			
Before useful life review	140,800,102	(85,755,130)	55,044,972
After useful life review	140,800,102	(83,118,916)	57,681,186
Difference due to change in estimate	-	(2,636,214)	2,636,214
Office machines and equipment			
Before useful life review	39,867,764	(26,089,440)	13,778,324
After useful life review	39,867,764	(25,720,207)	14,147,557
Difference due to change in estimate	-	(369,233)	369,233
Furniture and fittings			
Before useful life review	72,903,375	(25,253,851)	47,649,524
After useful life review	72,903,375	(25,215,655)	47,687,720
Difference due to change in estimate	-	(38,196)	38,196
Appliances			
Before useful life review	4,889,476	(3,088,928)	1,800,548
After useful life review	4,889,476	(3,046,473)	1,843,003
Difference due to change in estimate	-	(42,456)	42,456
Prefabricated buildings			
Before useful life review	11,403,173	(919,636)	10,483,537
After useful life review	11,403,173	(918,007)	10,485,166
Difference due to change in estimate	-	(1,628)	1,628
Leasehold improvement			
Before useful life review	4,002,613	(1,930,540)	2,072,073
After useful life review	4,002,613	(1,901,374)	2,101,239
Difference due to change in estimate	-	(29,166)	29,166
Motor vehicles			
Before useful life review	65,143,827	(25,674,698)	39,469,129
After useful life review	65,143,827	(24,432,950)	40,710,877
Difference due to change in estimate	-	(1,241,748)	1,241,748
Total	-	(4,358,641)	4,358,641

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Cost R	Accumulated depreciation R	Net book value R
Useful life review – intangibles			
Software			
Before useful life review	170,203,199	(76,756,939)	93,446,260
After useful life review	170,203,199	(76,531,871)	93,671,328
Difference due to change in estimate	-	(225,068)	225,068

	31 March 2016	31 March 2015
Note	R	R

34. RECONCILIATION BETWEEN BUDGET AND STATEMENT OF FINANCIAL PERFORMANCE

Net surplus (deficit) as per Statement of Financial Performance	118,663,008	(30,879,902)
Adjusted for:	(1,832,805)	(16,376,702)
Under/(over)-collection of income as per budget	(1,832,805)	(16,376,702)
Expenses not budgeted	81,505,026	71,011,621
Depreciation	45,657,509	51,225,328
Amortisation	13,152,514	12,122,329
Asset impairment	282,606	455,300
Deficit on sale of assets	3,338,621	56,029
Debt impairment	1,582,949	196,304
Interest paid	19,753	20,669
Lease equalisation	2,585,667	3,772,665
Increases/(decreases) in provisions	-	(330,627)
Leave pay accrual	14,881,830	3,489,744
Exchange rate (gain)/loss	3,577	3,880
Over/(under)-spending compared to operational budget (including rollover and capital)	53,667,187	(133,001,270)
Net surplus/(deficit) as per approved operational budget (including rollover and capital)	252,002,416	(109,246,253)

Electoral Commission

Appendix A

UNAUDITED DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016	31 March 2015
	R	R
Income	1,533,936,805	1,584,999,702
Parliamentary allocation	1,517,104,000	1,553,617,000
Political party registration fees	39,200	6,800
Interest received	16,579,747	10,023,661
Sponsorship income	-	20,780,000
Other	231,858	572,241
Expenditure	1,411,935,176	1,615,823,575
Personnel expenditure	646,101,890	572,015,921
Salaries	520,546,749	497,092,398
- Permanent staff	402,090,551	408,156,876
- Temporary staff	111,955,806	83,695,713
- Voter education fieldworkers	41,788,515	22,278,592
- Election support	22,689,867	22,950,305
- By-elections	3,471,024	8,967,567
- Registration	3,043,489	75,445
- Expansion staff	40,962,911	29,423,804
- MEO agents	6,500,392	5,239,809
Remunerative allowances – permanent staff	396,295	275,807
Leave pay provision	19,772,998	8,297,630
Lump sums – retirement	3,008,184	2,739,995
Medical aid contributions	28,023,397	-
Housing benefits and allowances	11,733,453	-
Employer's contributions	19,772,998	62,976,842
Deployment costs	-	165,935
Relocation cost	558,988	467,314

	31 March 2016	31 March 2015
	R	R
Administrative expenditure	675,545,732	950,294,169
Electoral staff subsistence	57,781,203	244,116,082
Travel expenditure	32,167,038	38,470,901
Air transport	8,498,692	9,474,630
Hotel expenditure	8,797,727	11,015,588
Vehicle rental	3,540,277	5,532,321
Fuel	8,761,969	8,891,591
Other	2,568,373	3,556,771
Subsistence and travel	18,562,980	23,144,441
Communications and connectivity	43,180,871	60,530,144
Storage and distribution costs	16,461,346	23,934,095
Study expenditure	1,367,865	1,953,273
Subscriptions and membership fees	829,041	480,628
Advertising	74,125,628	37,465,669
Catering/entertainment expenses	1,844,012	8,581,982
- Democracy Development and Voter Education	28,546	14,093
- Other – Corporate Services	562,309	7,330,866
- Logistics and Electoral Matters	1,253,157	1,237,023
Insurance	2,497,145	2,546,584
Conferences and workshops	48,507,718	88,143,800
- Democracy Development and Voter Education	13,575,009	10,527,508
- Other – Corporate Services	28,363,164	25,786,682
- Logistics and Electoral Matters	6,569,545	51,829,610
Consumables	11,457,719	13,992,145
Inventory	18,467,364	35,239,374
Printing and stationery	29,113,703	39,854,599
Software licences	32,113,769	20,157,530
Rented equipment	5,322,499	16,377,838
Rental – land and buildings	108,409,783	97,390,251
Building rentals	79,229,815	72,783,986
Rates and taxes	15,214,585	12,809,511
Voting station rentals	13,965,383	11,796,754
Professional and other services	172,204,887	194,886,045
Bank charges	1,089,557	2,974,628
Sundry expenditure	41,604	54,160
Depreciation and impairment	59,092,628	63,802,957
Audit costs	6,028,891	6,285,128
Finance cost	23,330	20,669
Debt impairment	1,582,949	196,304
Maintenance and repairs	23,559,756	23,208,427
Total expenditure	1,411,935,176	1,615,823,575
Deficit on disposal/scrapping of assets	3,338,621	56,029
(Deficit)/surplus for the year	118,663,008	(30,879,902)

Electoral Commission

Appendix B

UNAUDITED DETAILED INCOME AND EXPENDITURE STATEMENT BY DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2016

Relevant strategic objective	Total expenditure	Personnel expenditure	Administrative expenditure	Consumables	Equipment	Land and building rentals	Professional and other services
Internal Audit	7,298,936	3,102,149	163,359	87,777	-	-	3,945,651
Chief Electoral Officer	5,339,218	4,741,097	555,471	42,650	-	-	-
Commission Services	15,155,122	9,649,162	4,909,562	44,117	-	467,020	85,261
Total for Chief Electoral Officer	27,793,276	17,492,408	5,628,392	174,544	-	467,020	4,030,912
Deputy Chief Electoral Officer	2,495,588	2,458,846	25,591	11,151	-	-	-
Legal Services	12,137,741	3,095,925	248,785	16,636	-	-	8,776,395
Budget and Party Funding, Compliance Verification	4,179,847	4,052,857	13,511	113,479	-	-	-
Financial Services	15,239,118	8,987,672	1,602,910	103,902	3,388,457	-	1,156,177
Financial Management	7,515,266	-	135,944	-	-	-	7,379,322
Procurement and Asset Management	12,051,820	9,868,324	1,537,675	219,740	-	-	426,081
Human Resources	178,967,423	92,840,633	79,065,633	184,194	-	-	6,876,963
HR, Skills Development and Training, Support Services	2,165,235	2,076,884	85,768	2,583	-	-	-
Skills Development and Training	41,675,641	4,765,386	29,902,576	5,171,854	-	-	1,835,825
Support Services	77,871,189	7,815,754	3,902,464	436,081	8,919,435	42,358,755	14,438,700
Business Enterprise Systems	56,176,857	6,834,778	894	261,703	-	-	49,079,482
Information and Communication Technology	60,997,256	1,761,783	79,440	2,054	57,271,046	-	1,882,933
IT Operations Services	73,445,070	2,427,679	328,225	79,353	-	-	70,609,813
Total for Corporate Services	544,918,051	146,986,521	116,929,416	6,602,730	69,578,938	42,358,755	162,461,691
Total for National Office: Administration	572,711,327	164,478,929	122,557,808	6,777,274	69,578,938	42,825,775	166,492,603
Deputy Chief Electoral Operations	3,171,607	2,401,063	767,829	2,715	-	-	-
Delimitation, Voting, Counting, Results and By-elections	12,600,104	6,490,790	3,088,754	1,892,371	-	436,965	691,224
Electoral Matters	1,997,611	1,894,153	98,528	4,930	-	-	-
Candidate Nomination, Party Liaison, Voters' Roll and Registration	28,541,994	10,590,639	7,764,407	7,075,763	1,423,433	-	1,687,752
Infrastructure, Courier Services	62,684,149	8,674,074	12,648,539	3,038,795	-	34,692,434	3,630,307
Logistics and Infrastructure	1,825,781	1,775,519	38,478	11,784	-	-	-
Logistics	94,426,810	7,819,334	17,975,405	16,494,500	23,669,742	13,456,567	15,011,262
Total for Electoral Operations	205,248,056	39,645,572	42,381,940	28,520,858	25,093,175	48,585,966	21,020,545

UNAUDITED DETAILED INCOME AND EXPENDITURE STATEMENT BY DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2016

Relevant strategic objective	Total expenditure	Personnel expenditure	Administrative expenditure	Consumables	Equipment	Land and building rentals	Professional and other services
Civic Education and EDDE	69,064,441	45,759,085	13,813,444	562,853	-	-	8,929,059
Civic Education, Research and Knowledge Management	860,920	795,441	65,479	-	-	-	-
Research, Library, Knowledge Management	12,183,785	2,885,574	563,370	2,755,353	-	-	5,979,488
Communication	126,292,739	4,792,602	75,581,932	18,898,707	-	-	27,019,498
Deputy Chief Electoral Outreach	2,740,575	2,658,582	64,265	17,728	-	-	-
Total for Outreach	211,142,460	56,891,284	90,088,490	22,234,641	-	-	41,928,045
Total for National Office: Operations	416,390,516	96,536,856	132,470,430	50,755,499	25,093,175	48,585,966	62,948,590
Total for National Office	989,101,843	261,015,785	255,028,238	57,532,773	94,672,113	91,411,741	229,441,193
Eastern Cape	75,502,234	70,009,858	2,554,855	242,853	-	1,893,788	800,880
Free State	32,751,012	28,418,415	2,088,405	154,607	-	1,751,007	338,578
Gauteng	40,888,904	37,195,750	1,151,906	172,194	-	2,004,050	365,004
KwaZulu-Natal	76,215,741	70,982,707	3,159,801	171,926	-	993,866	907,441
Mpumalanga	38,093,593	32,988,915	1,103,163	140,049	-	3,409,295	452,171
Northern Cape	35,465,135	30,704,553	2,248,173	144,010	50,659	1,960,518	357,222
Limpopo	52,398,649	47,655,411	2,188,578	206,320	-	1,803,212	545,128
North-West	33,974,007	30,842,768	1,299,201	135,383	44,915	1,236,359	415,381
Western Cape	40,882,679	36,287,728	1,834,134	198,674	-	2,172,588	449,555
Total for regional offices	426,171,954	385,086,105	17,628,216	1,506,016	95,574	17,224,683	4,631,360
Departmental expenditure	1,415,273,797	646,101,890	272,656,454	59,038,789	94,767,687	108,636,424	234,072,553
Total income	1,533,936,805						
Surplus for the year	118,663,008						
Unutilised surplus at 31 March 2015	388,412,405						
Unutilised surplus at 31 March 2016	507,075,413						



SOUTH AFRICA

Electoral Commission

Election House
Riverside Office Park
1303 Heuwel Avenue
Centurion, 0157
Private Bag X112
Centurion, 0046
South Africa

Tel: 0800 11 8000

Email: info@elections.org.za

Website: www.elections.org.za



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