

ELECTORAL COMMISSION
ANNUAL REPORT
2017



SOUTH AFRICA

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PART A

General information



1. ABBREVIATIONS AND ACRONYMS

AGSA	Auditor-General of South Africa
AMASA	Advertising Media Association 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
CSD	Central Supplier Database
CSO	Civil Society Organisation
COIDA	Compensation for Occupational Injuries and Diseases Act
Commission	The Commissioners appointed in terms of section 6(1) of the Electoral Commission Act, Act No 51 of 1996
DBE	Department of Basic Education
DCEO	Deputy Chief Electoral Officer
DEF	Democracy Education Facilitator
DHA	Department of Home Affairs
DIRCO	Department of International Relations and Cooperation
DR	Disaster Recovery
Electoral Commission	The Electoral Commission established in section 3(1) of the Electoral Commission Act, Act No 51 of 1996, i.e. the organisation
EE	Employment Equity
EFT	Electronic Funds Transfer
EMEA	Europe, Middle East, Africa
EPC	Electoral Project Coordinator
ERMC	Executive risk management committee
ERP	Enterprise Resource Planning
EXCO	Executive committee
FBO	Faith-based Organisation
GRAP	Generally Recognised Accounting Practice
GRC	Governance, Risk and Compliance
HR	Human Resources
ICR	Intelligent character recognition
IIA	Institute of Internal Auditors
ICPS	International Centre for Parliamentary Studies
ICT	Information and Communication Technology
International IDEA	International Institute for Democracy and Electoral Assistance
IEC	Independent Electoral Commission
LAN	Local Area Network
LIASA	Library and Information Association of South Africa
LIS	Logistics Information System
MDB	Municipal Demarcation Board

MDEA	Management of Democratic Elections in Africa
MEC 7	Vote cast when a voter's name does not appear on the voting district segment of the voters' roll, and the voter has proof of having applied to register as a voter in the voting district
MEO	Municipal Electoral Officer
MoA	Memorandum of Agreement
MOC	Municipal Outreach Coordinator
MoU	Memorandum of Understanding
MRP	Materials Requirement Plan
MTEF	Medium-term economic framework
NEHAWU	National Education, Health and Allied Workers' Union
NGO	Non-governmental Organisation
NPR	National Population Register
OCR	Optical character recognition
OMS	Outreach Management System
PBSU	Programmable Barcode Scanning Unit
PEO	Provincial Electoral Officer
PFMA	Public Finance Management Act
PLC	Party liaison committee
PPPFA	Preferential Procurement Policy Framework Act
PR	Proportional representation
RAF	Road Accident Fund
RAMS	Radio audience measurement statistics
REC1	Registration application form
REC AS	Registration affirmation form
REG2	Second registration weekend
SABC	South African Broadcasting Corporation
SADC	Southern African Development Community
SAIMAS	Southern Africa Institute of Management Services
SAN	Storage Area Network
SANCB	South African National Council for the Blind
SAP	Systems, Applications and Products
SAPICS	South African Production and Inventory Control Society
SAPS	South African Police Service
SCM	Supply Chain Management
SMME	Small, medium and micro enterprises
SMS	Short Message Service
SRC	Staff Requirement Category
UBT	Universal Ballot Template
Unisa	University of South Africa
UPS	Uninterrupted power supply
TAMS	Television audience measurement statistics
USSD	Unstructured supplementary services data
VAT	Value-added Tax
VD	Voting district
VRS	Voter Registration System
WAN	Wide Area Network

2. FOREWORD BY THE CHAIRPERSON

The Electoral Commission is honoured to present its 2016/17 Annual Report.

The period under review coincides with the 2016 Local Government Elections in South Africa. These were the fourth elections of this nature in South Africa since the establishment of the Electoral Commission in 1997. The Commission's activities during the period were therefore geared towards the planning and delivery of free, fair and credible elections and ensuring that as many South Africans as possible exercised their right to vote.

It is without a doubt that these elections presented the Commission with a number of challenges, including some court challenges, which provided an opportunity to strengthen and streamline its policies and operations. In some instances, these challenges brought about new perspectives in the interpretation and execution of the Electoral Commission's mandate and the conceptualisation of the operations of the organisation.

It is an international phenomenon that municipal elections have a low voter turnout and the figures drop even further with each forthcoming election. However, in South Africa, the trend has been the opposite, as the number of voters has been on the increase. For instance, voter turnout in the 2016 Local Government Elections was 57.95%, compared to a turnout in 2011 of 57.64%.

It is also during this period that the Commission saw an increase in the number of registered voters countrywide from 25.6 million voters in the previous reporting period to 26.1 million in the year under review. Such an increase is a reflection of a citizenry that is enthusiastic about the country's electoral democracy and the positive outcome of voter education. It is also testimony to the fact that South Africans at large understand and embrace their rights, and the values and principles as espoused in the Constitution of the Republic of South Africa.

During this period, the relationship between the Commission and its stakeholders was solidified. First, the number of political parties listed on the party register for the 2016 Local Government Elections was 345, of which 205 political parties contested the elections. The Commission has a simple, transparent and open system of registering political parties and independent candidates. The Commission also maintained political liaison committees, a platform for engagement with political parties. Political liaison committees are established at all three spheres of government, that is, national, provincial and local government. This platform allows for an exchange of ideas and briefings on the Commission's preparations for the elections, and also acts as a mediation mechanism.



GLEN MASHININI
Chairperson: Electoral Commission

The Commission further strengthened its relationship with its international partners and continued 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 the Southern African Development Community (SADC) countries, the Association of African Electoral Authorities and the Association of World Election Management Bodies (A-WEB). The Commission also enjoyed strong relationships with other electoral management bodies on the African continent and beyond and signed memoranda of understanding (MoUs) with the electoral commissions of India, Mexico, Palestine and Russia.

During the period under review, the Commission continued to participate in and make contributions to various international forums convened under the auspices of the Electoral Commissions Forum of SADC countries. The Commission sent delegations either to observe elections for the purpose of enhancing its understanding of current practices, or to provide assistance with elections in other countries. The Commission also received delegations from a number of countries on the continent and further afield who observed its elections, and shared their experiences.

The Commission has a committed workforce, without which the achievements that were made in the period under review would not have been realised. The employees of the Electoral Commission showed

competency, efficiency and resilience during the most challenging times, especially during the preparations for the 2016 Local Government Elections.

A special word of appreciation goes to Mr Mosotho Moepya, who was the Chief Electoral Officer and head of administration during the period under review. Mr Moepya was appointed as Chief Electoral Officer for a period of five years. This period expired on 28 February 2017, but was extended by one month to 31 March 2017. It was through Mr Moepya's unblemished commitment and outstanding workmanship that the Commission achieved success and overcame a number of challenges.

Finally, the Commission would like to express its appreciation for the enthusiastic support received during the period under review from a number of institutions and individuals, including Parliament, government departments, provincial legislatures, political parties, civil society organisations (CSOs), faith-based organisations (FBOs), traditional leaders and the public in general.



Glen Mashinini
Chairperson
Electoral Commission of South Africa
31 July 2017

3. CHIEF ELECTORAL OFFICER'S OVERVIEW

Introduction

Presented for tabling to the National Assembly, this report sets out a record of the activities and operations undertaken by the Electoral Commission during the period 1 April 2016 to 31 March 2017, including the audited annual financial statements.

The 2016 Local Government Elections represented an important milestone in the development of South Africa's constitutional democracy. While the first democratic elections of 1994 were held with little background information on the voting population and in the absence of a national voters' roll, the focus of the 2016 Local Government Elections was on these very two aspects, i.e. the complexity of the demographics of the voting population and the accuracy of addresses on the national voters' roll. These factors, together with the highly robust political environment, brought about the toughest test the Electoral Commission has faced as an institution since the dawn of our democracy.

Despite these challenges, I am proud of the fact that the Electoral Commission once again rose to the occasion and delivered yet another free and fair election, an election of which the outcome was accepted nationally and internationally, and which reinforced the trust of the public at large in the independence of the Electoral Commission.



PHATUDI SIMON MAMABOLO
Acting Chief Electoral Officer
Electoral Commission
 31 July 2017

2016 Local Government Elections

As indicated above, the thrust of the organisation and its resources in the year under review were directed at the conducting of the 2016 Local Government Elections. A detailed synopsis of the Electoral Commission's activities for the 2016 Local Government Elections is in the process of being consolidated in a comprehensive elections report, which will be submitted to Parliament in 2017/18.

General performance review of the Electoral Commission

This report particularly seeks to provide an overview of the Electoral Commission's key performance achievements against its strategic objectives. Of the 34 performance targets set for the year under review, 21 were achieved. A high-level summary of achievements is set out in Section 2.4 of this report. The details of the achievements and under-achievements are reflected under each relevant programme elsewhere in this report. The higher-than-usual number of targets not achieved can mainly be attributed to election-related pressures, factors outside the control of the Electoral Commission and budget constraints experienced during the period under review.

General financial review of the Electoral Commission

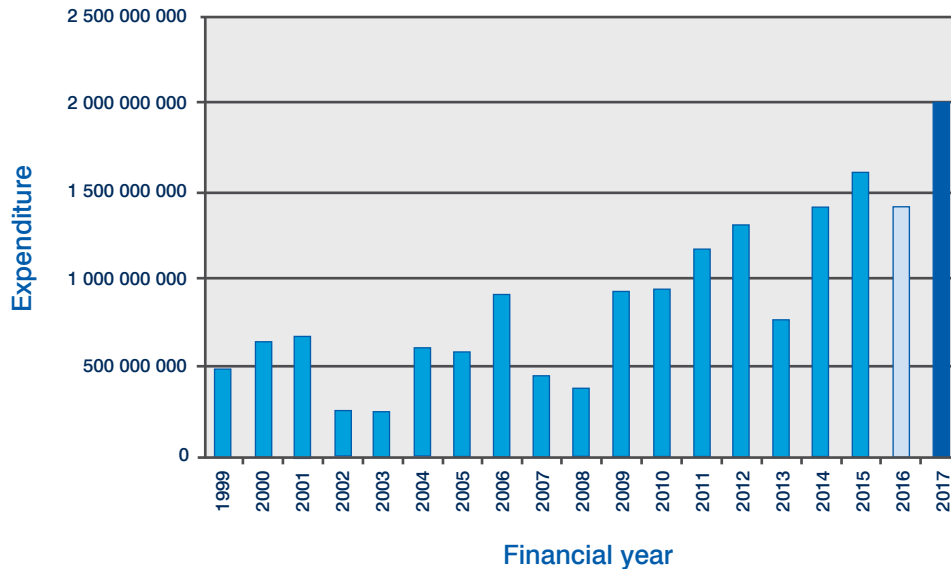
The Electoral Commission received R1.66 billion for the year under review by way of a parliamentary grant. Sundry income, consisting largely of interest earned of R16.2 million and sponsorship income of R24.2 million, brought the Electoral Commission's total income to R1.7 billion for the year under review. Expenditure reflected in the annual financial statements, on the accruals basis, was R2 billion, giving an accounting shortfall of R311 million.

Two main registration drives were initially planned for the 2015/16 financial year. The second registration drive was, however, moved to April 2016. This resulted in an amount of R151.8 million being ring-fenced in 2015/16 and rolled over to be spent in 2016/17. In addition, an amount of R129.9 million that was unspent in 2015/16 (including an amount of R120 million in savings committed to funding the replacement of registration technology (zip-zips) in 2017/18) was brought forward to 2016/17. The projected accounting deficit for 2016/17, including the ring-fenced and roll-over funds, net of capital was thus R327 million. Despite funding difficulties experienced, the Electoral Commission succeeded in maintaining its spending within budget.

In an election year, such as this one, the balance sheet reflects lower levels of both current assets and liabilities at year end, as the bulk of the activity is in the first two quarters of the year.

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-election cycles. The figure 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. In addition, the year under review reflected the impact of the costs incurred in relation to improving the quality of the national voters' roll, in line with the recent court judgments by the Electoral and Constitutional Courts.



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 2017, 939 posts were filled. In the peak election period in the first two quarters of the financial year, this was expanded with the employment of fixed-term staff, including 403 assistant project coordinators, 260 municipal outreach coordinators and 1 376 democracy education facilitators. In addition, some 262 695 temporary staff members were employed in various capacities to assist at voting stations during the second registration drive in April 2016 and the elections in August 2016. They were supplemented by 4 806 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), the Electoral Commission has collaborated and worked closely with the Department of Trade and Industry 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 Department 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 2016/17,

irregular expenditure of R38.1 million was incurred, of which R211 129 resulted from failures in the year. Also included in the irregular expenditure for 2016/17 is an amount of R36.9 million relating to the rental of the Riverside Office Park accommodation, which irregular expenditure first arose on occupation in the 2010/11 financial year. Fruitless and wasteful expenditure of R9 891 was incurred during this financial year.

During the year under review, the bid adjudication committee met 28 times. A total of 119 auctions were run on eProcurement and 31 tenders were awarded. No unsolicited bids were accepted.

No significant gifts were received in the financial year. Sponsorships amounting to R24.3 million (R18 million in cash and R6.3 million in kind) were received, mainly to fund the building of infrastructure at the national and KwaZulu-Natal election results centres in Pretoria and Durban respectively.

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

The Electoral Commission received an unqualified audit in 2015/16 with one emphasis of matter paragraph that drew attention to irregular expenditure that was under dispute with the Auditor-General of South Africa (AGSA).

The focus for 2016/17 has been on sustaining this performance. This was achieved and the audit for 2016/17 was also unqualified. Audit findings identified and reported by the 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 peaked was to ensure that procurement processes were compliant, and that adequate supporting documentation was available for audit purposes to substantiate payments to election and other temporary staff categories, as well as for the 22 612 voting station rentals.

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 Members of the Commission and staff of the Electoral Commission who 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 is proud.



Phatudi Simon Mamabolo
Acting Chief Electoral Officer
Electoral Commission
31 July 2017



Scanning of a voter's identity document using the zip-zips, which are due for replacement



View of a temporary voting station in Gauteng on voting day, 3 August 2016, for the 2016 Local Government Elections

4. 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 judgments 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 (AGSA) 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 2017.

Yours faithfully

Acting Chief Electoral Officer
Phatudi Simon Mamabolo
31 July 2017

Chairperson
Glen Mashinini
31 July 2017

5. STRATEGIC OVERVIEW

5.1 Vision

To be a pre-eminent leader in electoral democracy

5.2 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.

5.3 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; and
- g) respect.

5.4 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; and
- c) strengthening electoral democracy.

6. LEGISLATIVE AND OTHER MANDATES

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

6.1 Constitutional mandate

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

- 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.

6.2 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 which are of an administrative nature; and
- o) appoint appropriate public administrations in any sphere of government to conduct elections when necessary.

The duties and functions of the Electoral Commission in respect of the elections of the National Assembly and provincial legislatures are also outlined in the Electoral Act (Act 73 of 1998). This Act includes, among other things, provisions relating to 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 municipal elections. It makes provision for who may vote in municipal elections, the administration of candidate nomination, the appointment of voting officials and agents and all other related voting and counting procedures. As in the case of the Electoral Act, appropriate regulations have been published in support of the provisions of this Act.

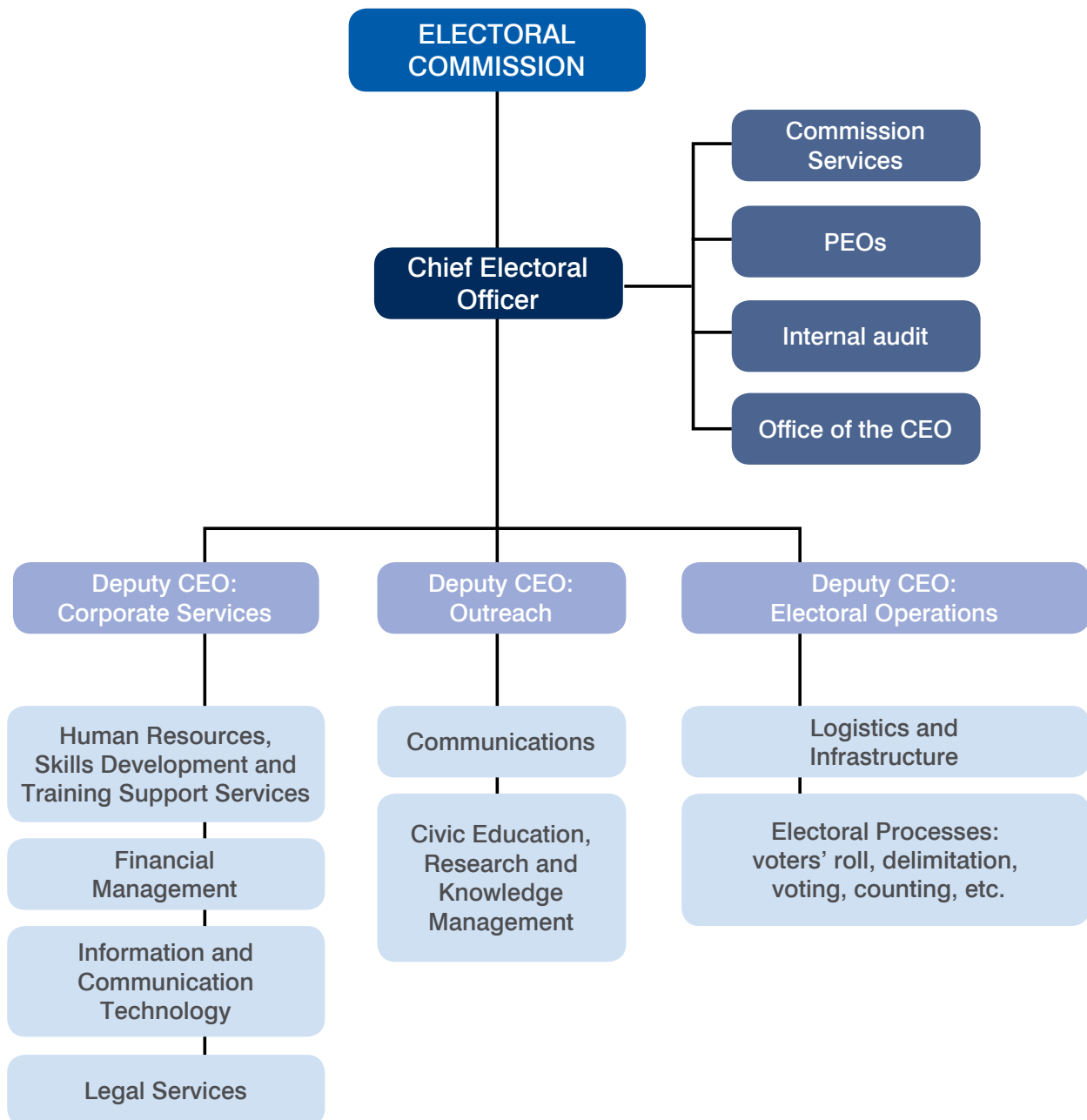
The Local Government Municipal Structures Act (Act 117 of 1998) provides for the establishment, management and functions of the various municipalities, as well as an electoral system and seat calculation formulas (the conversion of votes into seats).

This legislation is required to conclude the results process for the election of municipal councils.

6.3 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.

7. ORGANISATIONAL STRUCTURE



PART B

Performance information



1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General 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 in the report on the audit of the annual report section of the AGSA's report.

Refer to page 61 of the Auditor-General's Report, published as Part E: Annual Financial Statements.

2. SITUATIONAL ANALYSIS

2.1 Service delivery environment

A national common voters' roll is one of the pillars in our constitutional edifice. To this end, the Electoral Commission is legally bound to compile and maintain the voters' roll, affording eligible voters the opportunity to register, check their registration details 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.

In December 2003 the Electoral Act was amended by including, in section 16(3), a requirement for the Chief Electoral Officer to provide a voters' roll with addresses to participating political parties upon the payment of the prescribed fees. In view of the Kham judgment in the Constitutional Court and the subsequent Mhlope judgments in the Electoral and Constitutional Courts, the inclusion of addresses on 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 will have a major impact on the way the Electoral Commission conducts its voter registration processes for future elections, especially in relation to the sourcing of addresses or the capturing of sufficient particularities of voters on the voters' roll. They will also have an impact on further improvements to the quality of the voters' roll. Efforts to address the issues raised began during the period under review and will continue in order to meet the deadline of 30 June 2018, as set by the Constitutional Court. The Electoral Commission is committed to achieving this deadline.

These additional processes, as required by the court, impacted negatively on the resources of the Electoral Commission and it became a challenge to secure the necessary funding to continue to address the issue. Attempts to secure additional funding in the 2017 adjustment budget for this purpose yielded no results, and negotiations with National Treasury are ongoing.

The Constitutional Court order excluded by-elections from the suspension of the operation of section 16(3) of the Electoral Act. Therefore, addresses must be sourced in respect of registered voters in the voting districts implicated in a by-election. In the year under review, this requirement contributed to an unprecedented increase in court challenges in respect of the voters' roll by political parties and other role-players. These court challenges also impacted negatively on the resources of the Electoral Commission.

Note should also be taken of the High Court application before the North Gauteng High Court seeking to review the Riverside Office Park lease agreement. The national office of the Electoral Commission is housed in these premises.

The recognition and procedural agreement, which was entered into between the Electoral Commission and the National Education, Health and Allied Workers' Union (NEHAWU), wherein it was agreed that the terms and conditions for staff at the Electoral Commission would, in terms of section 12(5) of the Electoral Commission Act, as amended, be negotiated independently of the Public Sector Coordinating Bargaining Council. This agreement remained in place in 2016/17.

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 the head of the administration and the accounting officer of the Electoral Commission. 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 most key personnel retained. The Commission has embarked on a comprehensive human resources review that will include a review of the organisation's structure. At the time of reporting, the first phase of the project was on track.

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. It should, however, be noted that the Electoral Commission is in the process of amending the Electoral Act of 1998, with the view to, inter alia, address the importing of the electoral district juxtaposed to a political constituency, such as a ward, when registering as a voter.

2.4 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, professionalism and enabling business processes at all levels of the organisation	15	9	6	60%
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	9	3	75%
Programme 3: Outreach	Goal 3: Strengthening electoral democracy	7	3	4	43%
Total		34	21	13	62%

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 PROGRAMME 1: ADMINISTRATION

Programme 1 supports the achievement of Strategic Outcome-oriented Goal 1 and provides the overall strategic management of 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 legal services, financial management, and 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

Strategic Objective 1.1

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

Strategic Objective 1.2

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

Strategic Objective 1.3

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

Strategic Objective 1.4

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

Strategic Objective 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

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

Programme 1: Administration							
Strategic objective	Reference	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
1.1 Exercise oversight (monitoring, evaluation and leadership) to ensure the effective implementation of the Electoral Commission's core mandate, strategic goals and objectives, aligned with the corresponding budget allocation.	1.1.1	Number of governance committee meetings held per annum	50	54	46	Target underachieved by 8 meetings	Scheduled meetings could not take place due to urgent meetings with stakeholders regarding issues arising from the various court judgments and in relation to the preparations for the 2016 Local Government Elections. Urgent matters were directly referred for decision-making to Commission meetings instead as the Commission was meeting frequently.
	1.1.2	Number of Commission meetings held per annum	16	9	20	Target overachieved by 11 meetings	Target exceeded due to extraordinary meetings to discuss preparations for the 2016 Local Government 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	Target achieved	Target achieved
	1.1.4	Number of annual reports published and tabled in Parliament each year	1	1	1	Target achieved	Target achieved
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	0	1	1	Target achieved	Target achieved, however, not by the deadline of 30 June 2016.
	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	2	4	2	Target underachieved by 2 reports	Four quarterly reports were prepared and submitted to the audit committee during the course of the year. Due to changes in the scheduling of audit committee meetings, the target dates were not met.
	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	Target achieved	Target achieved

Programme 1: Administration							
Strategic objective	Reference	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
1.3 Build institutional capacity to enable the Electoral Commission to deliver on its constitutional mandate.	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% filled (930 filled posts)	943 filled posts calculated pro-rata over the year	Target overachieved by 13 posts	The recruitment process was expedited in some areas in view of the 2016 Local Government Elections.
	1.3.2	Number of bursaries awarded and paid per annum	67	120	144	Target overachieved by 24 bursaries	Due to the 2017 calendar year being a non-election year, there was an increase in the number of bursary applications and subsequent bursary awards.
	1.3.3	Number of permanent staff who attended internal and external short courses per annum	379	345	36	Target underachieved by 309 courses	The target was not met due to the changes in the planning date for the 2016 Local Government Elections, activities during elections and budget constraints in the last two quarters of the year under review.
	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	86% of agreements for 2015/16 in place 97% of performance assessments for 2015/16 were completed and moderated in May 2016	100% of qualifying staff (930 staff members)	25% (228) of agreements for 2016/17 in place by the deadline date 100% (940) of performance assessments for 2016/17 were completed and moderated in May 2017	(75%) of performance agreements (940) of performance assessments for 2016/17 were completed by the deadline date of 1 April 2016, but 97% were completed in advance of the moderation in May 2017. 940 assessments were completed and moderated in advance of the May 2017 deadline.	25% of performance agreements were completed by the deadline date of 1 April 2016, but 97% were completed in advance of the moderation in May 2017. 940 assessments were completed and moderated in advance of the May 2017 deadline.
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	-	Target achieved
	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	11	Target underachieved by one set of management accounts	The July 2016 set of accounts was not completed in time due to the 2016 Local Government Elections taking place on 3 August 2016, but has since been completed.
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)	98.55% (2 173 hours achieved)	97% of 2 232 hours achievement	98.32% (2 203.31 hours achieved)	Target overachieved by 1.32% or 37.7 hours	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 2015/16	Procurement: Platform upgrade completed (Phase 1)	Project was revised and deferred to next year	Project was revised and deferred to next year	The project timeline was revised and deferred to 2017/18.

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 IV), 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; and
- 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, 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 2015/16 financial year was tabled in the National Assembly on 15 September 2016.

The implementation of the 2017 Annual Performance Plan (APP) was monitored regularly and the CEO reviewed reports on the performance against targets set for performance indicators on a quarterly basis.

The Electoral Commission's Strategic Plan and 2017/18 APP were tabled in the National Assembly on 10 March 2017.

Internal audit

Section 38 of the PFMA requires the accounting officer to, among other things, 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 Chief Audit Executive (CAE) to ensure execution of the 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 in implementing the annual audit plan and any issues requiring its intervention towards ensuring the effectiveness of the system of internal audit operating at the Electoral Commission.

The contracts for the co-sourced panel of internal audit service providers were not, as envisaged, renewed after they expired on 9 November 2015. Accordingly, a new tender for the co-sourced service providers was initially advertised on 22 April 2016 and four submissions were received on time, together with one late submission. However, none of the four proposals received by the closing time complied with the Supply Chain Management (SCM) administrative compliance requirements.

Accordingly, a second tender for co-sourced internal audit resources was re-advertised after some enhancement to the specifications and closed on 29 August 2016. Five submissions were received on time with one late submission, but four submissions subsequently failed the SCM administrative compliance verification tests with the one remaining submission not achieving the required technical threshold score in the technical evaluation phase.

Further enhancement to the specifications were effected in preparation for a third attempt, and to this end, advertisement space was reserved in the *Government Gazette* for 30 September 2016, with a tender closing date of 24 October 2016. However, this advertisement was subsequently withdrawn by management.

The CEO then implemented the audit committee recommendation of December 2015 and secured internal audit resources in October 2016 via the mechanism provided in Treasury Regulation TR16A6.

To this end, the Department of Home Affairs (DHA) and the Road Accident Fund (RAF) and the respective members of their panels agreed and granted the necessary approvals for the Electoral Commission to participate in their existing internal audit service provider contracts. The Electoral Commission furthermore entered into a service level agreement with selected contractors on relatively the same terms and conditions as provided for in their existing contract(s). This measure will remain in place until the supply chain processes for a panel of co-sourced internal service providers are concluded during the 2017/18 financial year.

In addition, the audit committee supported the CAE's request for in-house resources. To this end, the CEO approved three contract posts on 20 September 2016 for a period of one year. Accordingly, two deputy managers: internal and performance audit commenced duty on 1 November 2016 as audit project staff.

Due to cost containment measures, the recruitment for the third position (assistant manager) was deferred for consideration in the 2017/18 financial year. Although the internal audit resources were not adequate for the full period from 1 April 2016 to 31 March 2017, these remedial actions resulted in adequate resources being on board from November 2016 onwards.

Subsequently, 68% of the internal audit projects on the approved internal audit plan were achieved and all fieldwork for the remaining 32% was completed during the period under review, as illustrated below:

Table 1: Comparison of audit projects completed

Internal audit projects			
2017			2016
Completed	Reviewed draft reports to be discussed with management	Total	Completed
18	7	25	10
68%	32%	100%	33%

The scope of all the internal audit projects undertaken for the year ended 31 March 2017 excluded any forensic audits or investigations as these are conducted by the Human Resources Department.

The CAE's annual opinion of "needs improvement" was derived by aggregating the ratings of each internal audit report finalised for the 2016/17 financial year.

Human Resources

Skills development

Employee development and training remains the cornerstone of employee performance and morale. During the year under review, the target for employee development and training was not realised due, in part, to the focus on election training and

management in the first two quarters of the year under review. After the elections, all employee development and training interventions were put on hold due to staff going on leave and unforeseen budget constraints. Nonetheless, 36 permanent employees attended various short courses, seminars, conferences, workshops and in-house interventions to acquire knowledge, skills and competencies relevant to their jobs as set out in the table below.

Table 2: Staff attendance of training courses and training sessions during 2016/17

Description		Number of delegates
1	Induction of new staff members	3
2	Training for travel claims on myCosmos	7
3	Training for raising travel requisitions on SAP	8
4	CCMA rules and legal drafting in dispute resolution	1
5	International Financial Reporting Standards 2016 workshop	1
6	Assessor course	1
7	SAPICS 2016 workshop	2
8	UNISA MDEA programme	2
9	Equal pay for work of equal value workshop	1
10	Public relations management	1
11	Tender and procurement fraud workshop	2
12	Diploma in procurement and supply	1
13	SAIMAS 26th Annual Conference	1
14	Labour Law Seminar 60th Annual IPM Convention	2
15	60th Annual IPM Convention	2
16	Short Course: Government media – essential tools for editors and journalists	1
Total		36



Nearly 205 000 election officials served in voting stations in the week of the 2016 Local Government Elections

Bursaries

In terms of the Human Resource Development Strategy for South Africa, enhancing the generic and specific abilities of all citizens is a necessary response to the current challenges facing the country. In the Electoral Commission, the bursary scheme remains one of the key skills development vehicles aimed at benefiting both the employees and the organisation. It affords employees the opportunity to acquire post-matric qualifications and ensures that the organisation has employees with the right competencies.

A total of 192 applications were adjudicated and awarded by the bursary committee for the 2017 academic year, which is higher than the number of bursaries awarded in 2016. The increase was mainly due to the elections being concluded in August of the 2016/17 financial year. The number of bursaries provided constitutes 16.8% of the total filled positions in the Electoral Commission for the 2017 calendar year. Nine of these approved applicants withdrew, 144 applicants registered for the first semester and the remaining 39 applicants are due for registration in the second semester.

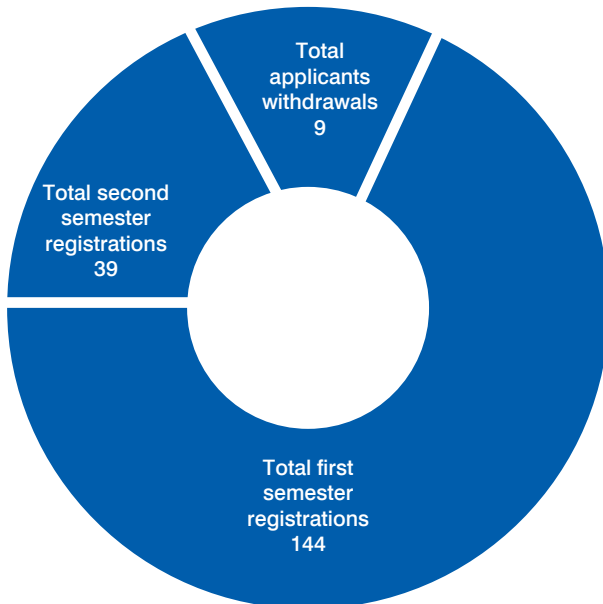


Figure 1: Bursary applications in 2016/17

Internships

An internship is a planned, structured and managed programme that provides graduates or learners with work experience in their fields of study for a specific period varying from three to 12 months. The Electoral Commission is committed to providing such opportunities to unemployed graduates and learners who require practical experience after graduating. This is important as unemployment is one of the major challenges facing the country. These interns are placed according to the needs of the Electoral Commission relevant to their studies, while ensuring that they obtain maximum exposure to the various activities of the organisation.

Four interns were appointed in three different provincial offices. These interns were exposed to working areas in line with their fields of study.

Table 3: Interns appointed during the period under review

Office	Unit	Number of interns
North West	Financial Administration	1
Northern Cape	Financial Administration and Assets	2
Mpumalanga	Financial Administration and Assets	1
Total		4

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 on voting day.

The Staff Training and Development Unit printed and distributed the following training material for voting day:

- Module 3: Special Voting
- Module 4: Voting
- Module 5: Counting
- Voting Station Diary
- Voting Centre Diary
- 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 distributed.

Financial Administration

Overview of funds received and spent

The Electoral Commission received R1.66 billion for the year under review by way of a parliamentary grant. Sundry income, consisting largely of interest earned of R16.2 million and sponsorship income of R24.2 million, brought the Electoral Commission's total income to R1.7 billion for the year under review. Expenditure reflected in the annual financial statements, on the accruals basis, was R2 billion, giving an accounting shortfall of R311 million.

Two main registration drives were initially planned for the 2015/16 financial year. However, the second registration drive was moved to a date early in the 2016/17 financial year. This resulted in an amount of R151.8 million being ring-fenced in 2015/16 and rolled over to be spent in 2016/17. In addition, an amount of R129.9 million that was unspent in 2015/16 (including an amount of R120 million on savings committed to funding the replacement of registration technologies (zip-zips) in 2017/18) was brought forward to 2016/17.

The projected accounting deficit for 2016/17, including the ring-fenced and roll-over funds, net of capital was thus R327 million.

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 2016/17 included the following:

- a) Some R756 million was spent on employee costs. This represents an increase of 17% on the cost in 2015/16. This increase was mainly due to the appointment of expansion staff for the second main registration drive and the 2016 Local Government Elections, as well as the increased civic education activities that go hand in hand with increased electoral activities.
- b) Some R1 064.3 million was spent on goods and services, representing an increase of 78% on 2016/17. The most significant element of the increase is the R290.7 million spent on subsistence and travel costs for the 262 738 staff members (58 001 for the second registration weekend and 204 737 for the elections). Furthermore, electoral supplies, such as ballot papers of various sizes and items on the bill of materials, were also procured.
- c) Some R67.9 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 R23.2 million was acquired during the year under review and enhancements to electoral systems were made to the value of R19.8 million.

It should be noted that the Kham judgment in the Constitutional Court and the subsequent Mhlophe judgments in the Electoral and Constitutional Courts, had and continue 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.

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 achieve this aim, in the 2016/17 financial year, the following projects were undertaken:

- a) A review of procurement policy and procedures to ensure alignment with SCM requirements. This included 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 in order to strengthen and enlarge the Electoral Commission's supplier database.



Training of election officials plays a key role in ensuring the credibility of elections

- 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 tenders and deviations.
- f) Skills development initiatives at the national, provincial and local offices for SCM functions.
- g) Alignment and integration of the Electoral Commission's procurement systems and processes to the Central Supplier Database (CSD) and the requirement of the Preferential Procurement Regulations of 2017 in preparation for implementation on 1 April 2017.

In 2016/17, 119 auctions were run on the eProcurement system, from which contracts with an estimated value of R40.8 million were awarded as set out below.

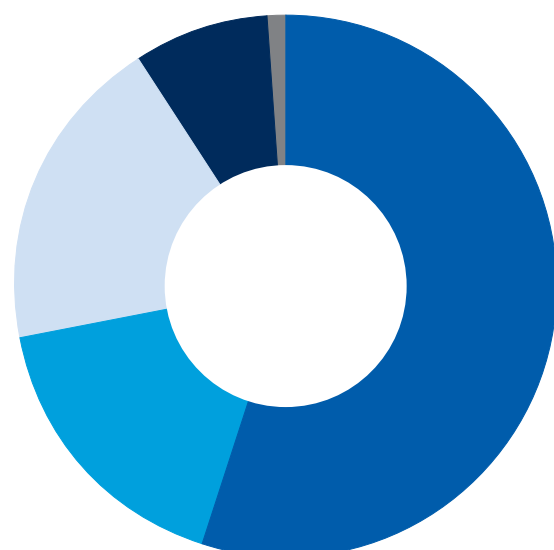


Figure 2: Auctions awarded by entity size

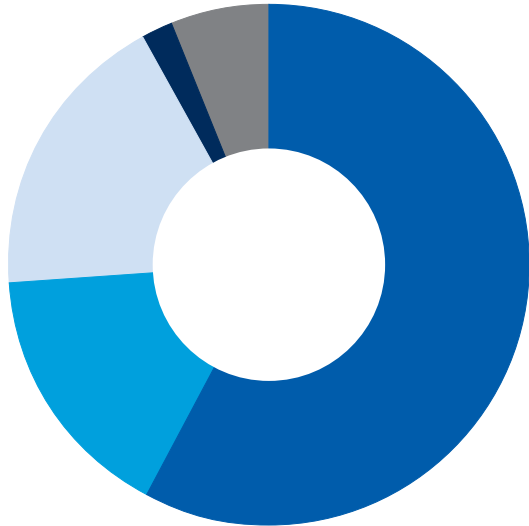
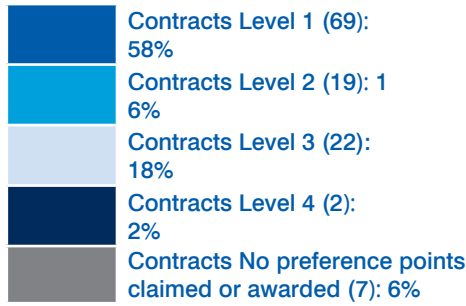


Figure 3: Auctions awarded by B-BEEE status

In addition, 31 contracts were awarded for competitive bids (tenders) to the total value of R180.5 million, including VAT, as set out in the tables and charts below:

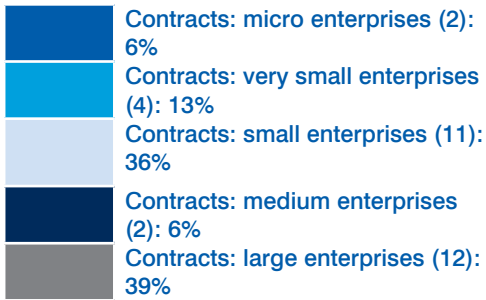


Figure 4: Tenders awarded by size of entity

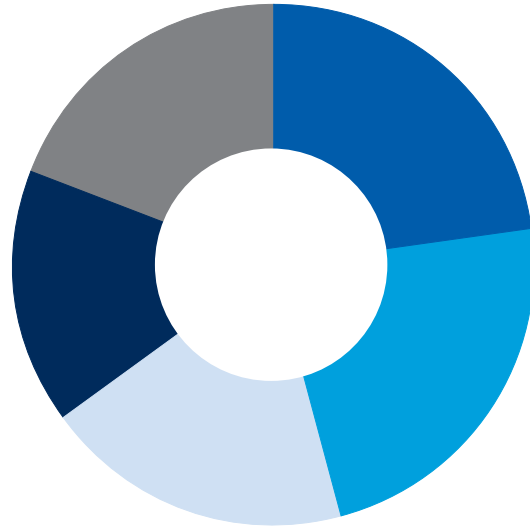
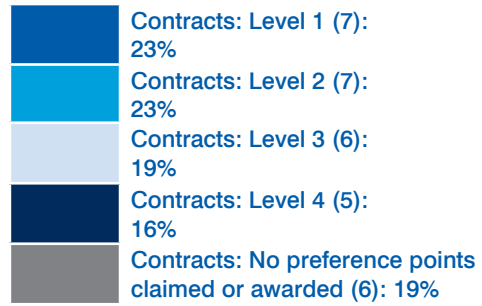


Figure 5: Tenders awarded by B-BEEE status

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) Financial processes were adjusted to ensure compliance with the numerous new National Treasury Instructions issued in the period under review.
- b) A number of financial policies were reviewed and updated.
- c) Monthly closures and monthly financial statements were completed.
- d) 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.
- e) Monthly management accounts have assisted in monitoring expenditure more closely and managing cash flow.
- f) 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 smooth and seamless delivery of the 2016 Local Government Elections was supported by technology that provided a critical platform on which all business processes were enabled and supported.

The following are the core of the Electoral Commission's ICT capability, and provide the foundation for all other ICT activities:

- a) ICT alignment to strategic and business objectives;
- b) stable applications to support and enable all business processes;
- c) closely integrated systems aimed at ensuring a seamless flow of information across the different systems;
- d) a stable and secure ICT infrastructure and network at both wide area network (WAN) and local area network (LAN) levels and at the data centre;
- e) scalable network and background server capacity, with the required capability of supporting increased election activity and network traffic;
- f) the management of risks, disaster recovery and business continuity processes;
- g) integrated online self-service facilities for citizen engagement through the internet using the websites, mobile applications, short message service (SMS), unstructured supplementary services data (USSD) and social media;
- h) ensuring that the Electoral Commission can take advantage of and fully utilise all available and relevant technologies in the ICT market;
- i) stable and effective open data platforms – providing an integrated technology enabled platform for all stakeholders through application programming interfaces (APIs); and
- j) continuous improvement and innovation in service delivery enablement.

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 and delivery of the 2016 Local Government Elections

ICT projects undertaken in support of the election preparations are as follows:

Table 4: Projects and enhancements

Project name	System/project description	Enhancements and/or delivery activities
Network Management and Performance Upgrade	Following a network management review, a decision was taken to upgrade network switches.	Improved network management and performance by implementing new secured and managed network switches across the LAN and WAN.
Network Security and Performance Upgrade	Following a network performance and security review, a decision was taken to upgrade network switches and firewalls.	Cisco ASA firewalls were decommissioned and replaced with Checkpoint firewalls. The primary national office and disaster recovery (DR) firewalls were upgraded to the latest versions to stay abreast with the latest capabilities and to address performance and stability issues. Virtual firewalls were migrated to physical Checkpoint appliances. Likewise, the roll-out of firewalls was extended to the provincial offices, a process which is still ongoing.
Network Capacity Upgrades	Network capacity was upgraded.	In response to network capacity demands, increased bandwidth in all areas, such as internet connectivity, backhaul to the national office, DR line, provincial electoral office and municipal electoral office sites to provide for increased elections capacity requirements. Likewise, bandwidth capacity was downgraded to normal operational capacity after all elections data processing activities had been completed.
Assurance Processes	Systems and security audits to provide independent management assurance of the security and integrity of the Electoral Commission's data and information.	An independent network and information security audits were commissioned in preparation for the 2016 Local Government Elections. An independent results system audit was commissioned in preparation for the 2016 Local Government Elections.
APIs and Mobile Applications	Upgraded and made enhancements to the mobile applications and the use of APIs.	Changed the presentation model for mobile applications, aligning it to public interests and findings from focus groups. Increased the scope of service offerings through APIs to improve access and the variety of data made available through this process, while also improving online reporting and data sharing.
Support for National and Provincial Results Operations Centres	Provided additional ICT capacity to provide increased on-site ICT capacity for the results centres.	Recruited and trained an additional 44 ICT personnel for voting day capacity. Deployed at least ICT support personnel per provincial results centre (two desktop technicians and one systems support person). Procured additional short-term rental equipment (e.g. workstations, printers, etc.) for increased capacity requirements. Cabled, connected, set up and provided support at all results centres. Set up and connected temporary results capturing sites at the municipal electoral office and regional offices. After the elections, the results centres were dismantled and all equipment accounted for. All rental equipment was recovered and returned to suppliers and additional support personnel were released.

Project name	System/project description	Enhancements and/or delivery activities
Display Leader Board and Online Dashboard	Built a coordinated framework that published elections results simultaneously using similar information display layouts.	The online dashboard and leader boards became a major source of attraction and a centre of election results information. The real-time result displays online and at the results centre. The online results dashboard and results centre leader boards were coordinated and similar.
Sharing of Elections Information and Results	Built an integrated open data platform for sharing data and information with all stakeholders on a real-time basis.	Through the creation of APIs, data was shared with all stakeholders in the elections management process. The APIs gave political parties and the media access to real-time correct data and context-driven information. In addition to APIs, results data was streamed real-time to interested stakeholders. The openness and transparency brought about by these facilities increased the integrity of the Electoral Commission. Through the APIs, the Electoral Commission became a trusted central point of reference for elections data, which enabled the Commission to manage the flow of information and the ecosystem of elections management.
REC1 Scanning	Addresses were captured on the voters' roll.	A new process was introduced to fast-track the capturing of addresses. In utilising a combination of intelligent character recognition (ICR)/ optical character recognition (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.
Central Supplier Database	Integrated SAP, eProcurement and CSD systems	An integration module was built and implemented, which integrated National Treasury's CSD with the Electoral Commission's SAP Enterprise Resource Planning (ERP) and eProcurement systems.

The success of the systems and infrastructure is demonstrated by the volume of online self-service traffic managed over the elections period. The highlights for the year and the height of activity around voting days are as follows:

Table 5: Online self-service traffic and enquiries

Online services	Highest traffic in a single day	Total traffic 2016/17
Voting Station Finder	36 092	283 796
Mobile SMS	109 458	910 362
Mobile applications	5 235 388	15 022 949
Website page views	3 857 746	13 096 097
Who is my Ward Councillor?	18 839	180 236
Online stakeholders (media and political parties)	2 931 976	65 510 851
Call centre	6 448	50 522
USSD	71 632	459 102
Total for online services		95 513 915

The elections results processing proceeded smoothly. This included results capturing, auditing, exception management, edit windows, seat calculations and seat allocations. All trigger points happened as planned and as expected.

General routine ICT maintenance and support activities

General routine ICT maintenance and support activities include, but are not limited to the following:

- By-elections support, including supporting pre-by-elections voter registration activities, generating ballot papers and voters' rolls for certification. On by-election day, support is provided for the processing of by-election activities. These include capturing results, scanning results slips, online publications and by-election staffing processes. The support is concluded with the generation of payment files and reimbursements.
- Support for ongoing registration application form (REC1) scanning and linking these to electronic voter records. The linked images are then used to capture the addresses (as per the registration forms) onto the voter registration system.
- Ad hoc data requests. Requests from external stakeholders 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) System investigations and impact analyses 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 provide a business case and motivation for further action.
- e) SAP system upgrade and maintenance. The annual SAP stack maintenance and SAP Governance, Risk and Compliance (GRC) support pack upgrades were performed in November 2016.
- f) Daily system checks in all environments to ensure that systems are available and stable before the start of business. This includes servers, switches, storage area network (SAN) devices and provincial uninterrupted power supplies (UPS).
- g) Backing up all systems according to the backup and recovery plan and moving tapes to off-site storage.
- h) Security monitoring of the ICT infrastructure, which includes malicious code and virus propagation, operating system vulnerabilities and exploits, network analysis and monitoring, daily audit and operational tasks.
- i) Monitoring all LAN and WAN activity on a daily basis to ensure the provision of high availability and adequate capacity.
- j) Maintaining a disaster recovery site of all business critical systems.
- k) Performance monitoring of systems, network and all associated infrastructure to ensure continuous service availability.

Linking performance with budgets

Programme name	2016/17			2015/16		
	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	510 359	612 865	(102 506)	531 196	496 026	35 170

3.2 PROGRAMME 2: ELECTORAL OPERATIONS

Programme 2 supports the achievement of Strategic Outcome-oriented Goal 2.

Electoral Operations Management provides the strategic management for Programme 2.

The Electoral Matters Department 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 voting day and on special voting days, as well as for home visits. The counting of votes, collation of results and seat calculations are the eventual activities of the Department.

The Logistics and Infrastructure Department 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.

The Political Liaison Department 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, ongoing liaison platforms with registered political parties and independent candidates.

Provincial and local offices provide the resources and decentralised support costs in provinces, excluding accommodation (rental costs).

The Electoral Capacity-building Department 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

Strategic Objective 2.1

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.

Strategic Objective 2.2

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

Strategic Objective 2.3

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.

Strategic Objective 2.4

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

Strategic Objective 2.5

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

Programme 2: Electoral Operations							
Strategic objective	Reference	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
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).	69 days	Within 90 days	76 days for 2016 Local Government Elections; 83 days for by-elections	14 days ahead of target; and 7 days ahead of target	The 2016 Local Government Elections were held 76 days after the end of the term of office – well within the 90 days. All 25 by-elections were held within 90 days, with the average days to fill the ward vacancies being 83 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).	14 days	Within 35 days	9 days	26 days ahead of target	The average number of days taken over the year was nine 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 being filled.
	2.1.3	Number of calendar days in which election results for each election are announced by the Electoral Commission in each year covered by this plan	1 day	The 2016 Local Government Elections and by-elections within 7 days	Within 7 days for the 2016 Local Government Elections and within 1 day for by-elections	The 2016 Local Government Elections on target and 6 days ahead of target for by-elections	The target is determined by legislation. The Electoral Commission successfully announced results in time for the 2016 Local Government Elections and in less than the legislated time frames for by-elections
2.2 Maintain an accurate national common voters' roll.	2.1.4	Number of elections set aside in each year covered by this plan	7 ward by-elections	0 (None)	Two elections	Target underachieved by two ward by-elections	The Electoral Court set aside the results of two ward elections of 2016 Local Government Elections: Newcastle Ward 23 (in November 2016), and Dr JS Moroka Ward 11 (in December 2016), which necessitated by-elections in these two wards.
	2.2.1	Number of registered voters reflected on the voters' roll as at 31 March each year	25 642 052	26 139 122	26 099 774	Target underachieved by 39 348 registered voters	Although the target set was not achieved by 39 348 registered voters, the actual number reflects a net increase of 1.8% or 457 722 registered voters compared to the previous year.
	2.2.2	Frequency per annum that the voters' roll is verified against the National Population Register (NPR) – updates received from the Department of Home Affairs (DHA) monthly	12	12 verifications	12	Target achieved	The voters' roll was verified according to the target set for the reporting period.

Programme 2: Electoral Operations							
Strategic objective	Reference	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
2.2 Maintain an accurate national common voters' roll.	2.2.3	Procure planned barcode scanner units or equivalent for voter registration on a seven- to ten-year cycle by 31 March 2018	N/A	N/A in 2016/17	N/A	N/A	No target for 2016/17.
	2.3.1	Number of contracted voting stations in place on main registration weekends or voting days in the years where applicable	22 569	22 563	22 612	Target overachieved by 49 voting stations	Actual total = 100% of voting districts. Final number is dictated by Local Government Demarcation Board (MDB) demarcation and subsequent delimitation. Variance of 49 indicates improved accessibility to voting stations.
2.3 Ensure the accessibility and suitability of voting facilities and processes by establishing and applying infrastructural demands for each electoral event.	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	10/213/1	10,213/1	Target achieved	Target is linked to the number of municipalities in South Africa.
	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. national and provincial elections, and municipal elections)	100% of 22 569 voting stations achieved	100% of 22 563 voting stations achieved	100% of 22 612 voting stations achieved	Target overachieved by 49 voting stations	100% of voting stations used for the second registration weekend (REG2) and the 2016 Local Government Elections was achieved. The final number is dictated by the 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 party liaison committees (PLCs) at national (1), provincial (9) and municipal (213) levels per annum	(2 433 liaison sessions) 13 national 70 provincial 2 350 local	(1 338 liaison sessions) 6 national 54 provincial 1 278 local	(1 937 liaison sessions) 17 national 57 provincial 1 863 local	Target overachieved by 599 liaison sessions (11 national 3 provincial 585 local)	Meetings with political parties were maintained at regular intervals in light of the preparations for the general elections of municipal councils in 2016. In addition, a number of demarcation and other election-related 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	Target achieved	Target achieved
2.5 Strive for excellence at voting station level.	2.5.1	Number of electoral staff recruited and trained per annum	52 169	263 454 staff members (50 850 for REG2 and 212 604 for 2016 Local Government Elections)	262 738 staff members (58 001 for REG2 and 204 737 for 2016 Local Government Elections)	Target underachieved by 716 electoral staff members (7 151 more for REG2 and 7 867 less for 2016 Local Government Elections)	The increase for REG 2 was as a result of the position of the introduction of the affirmation form (REC AS) accompanying the REC1 form in which voters attest to the fact that they live in the relevant voting district. Such voters do not usually have a formal address. The staff requirement category (SRC) for the 2016 Local Government Elections was amended to effect cost savings and the requests for additional positions were lower than in the 2014 Local Government Elections.

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. This entails the creation of manageable geographic entities in order to facilitate registration and electoral processes. A voter is required to register to vote in the voting district in which he or she is ordinarily resident (the place to which the person returns after a period of temporary absence). Each voting district is serviced by one voting station. A registered voter will only find his or her name on the voting district 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 voting district boundaries to both municipal and ward boundaries; and
- to assist the Electoral Commission with elections staff and material planning.

The number of voting districts (and hence voting stations) has increased by 54% since the 1999

elections from 14 650 voting districts in 1999 to 22 612 voting districts as at 31 March 2017. Provinces with the greatest increase in voting districts over this period include the predominantly rural provinces of the Northern Cape, Mpumalanga, Eastern Cape and Limpopo. The number of voting districts in provinces with large urban concentrations of registered voters, such as Gauteng and the Western Cape, increased at a more moderate rate. During the period under review, the number of voting districts remained relatively stable as the period included the 2016 Local Government Elections and the period immediately after the elections when no voting district re-delimitation was undertaken.

Table 6: Number of voting districts on 31 March 2016 compared to 31 March 2017

Province	Voting districts: 31 March 2016	Voting districts: 31 March 2017
Eastern Cape	4 699	4 699
Free State	1 531	1 531
Gauteng	2 717	2 716
KwaZulu-Natal	4 794	4 792
Limpopo	3 112	3 111
Mpumalanga	1 744	1 744
North West	1 724	1 723
Northern Cape	710	710
Western Cape	1 586	1 586
Total	22 617	22 612



Some 22 600 voting stations were open nationwide for the 2016 Local Government Elections, a similar number to that in the 2014 National and Provincial Elections

Voters' roll and registration statistics

The voters' roll for the period under review opened with 25 642 052 voters on 1 April 2016 and closed with 26 099 774 voters on 31 March 2017. This represents a net increase of 457 722 (1.8%) registered voters for the period

Table 7: Changes to the voters' roll

Province	Mar-2016	Mar-2017	Increase	% Increase
Eastern Cape	3,255,857	3,298,396	42,539	1.3%
Free State	1,447,103	1,453,530	6,427	0.4%
Gauteng	6,074,498	6,182,766	108,268	1.8%
KwaZulu-Natal	5,220,860	5,371,336	150,476	2.9%
Limpopo	2,492,053	2,538,247	46,194	1.9%
Mpumalanga	1,873,248	1,901,845	28,597	1.5%
North West	1,681,245	1,697,340	16,095	1.0%
Northern Cape	604,106	614,044	9,938	1.6%
Western Cape	2,993,082	3,042,270	49,188	1.6%
Total	25,642,052	26,099,774	457,722	1.8%

The total registration activity in the period under review accounted for 4 053 501 voters. This registration activity is a result of by-elections, targeted registration, school-based and continuous campaigns undertaken by the Electoral Commission, as well as the registration activity during the second registration weekend on 9 and 10 April 2016. A total of 53% of registration activity relates to citizens under the age of 29 years.

Table 8: Total registration activity during the period under review by age band

	≥16≤17	≥18≤19	≥20≤29	≥30≤39	≥40≤49	≥50≤59	≥60	Total
New registrations	45 780	192 486	379 632	80 196	31 599	22 948	20 480	773 121
Re-registration in the same voting district	2 295	23 289	343 194	372 305	386 055	373 531	454 119	1 954 788
Voting district move	1 054	14 934	316 207	365 952	275 377	183 930	168 138	1 325 592
Total	49 129	230 709	1 039 033	818 453	693 031	580 409	642 737	4 053 501

Table 9: Total registration activity during the period under review per province

Province	New registrations	Re-registrations in the same voting district	Voting district move	Total
Eastern Cape	97 839	314 616	155 731	568 186
Free State	33 366	75 393	65 075	173 834
Gauteng	162 220	276 791	336 595	775 606
KwaZulu-Natal	210 089	709 990	347 144	1 267 223
Limpopo	79 723	201 888	100 180	381 791
Mpumalanga	53 336	120 499	88 811	262 646
North West	41 146	140 300	82 492	263 938
Northern Cape	18 432	44 444	30 015	92 891
Western Cape	76 970	70 867	1 119 549	267 386
Total	773 121	1 954 788	1 325 592	4 053 501

KwaZulu-Natal had the most registration activity at 1 267 223, followed by Gauteng with 775 606 and the Eastern Cape with 568 186.

New registrations accounted for 19% of the total registration activity in the period under review. Registrations relating to changes to voting districts of ordinary residence accounted for 33%, while re-registrations in the same voting district accounted for the balance of 48%.

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

Voting – 2016 Local Government Elections

Voting day took place on 3 August 2016, with special voting days on 1 and 2 August 2016. In total, there were 4 649 unique ballot papers in the 2016 Local Government Elections. These represented 4 392 ward ballots, 205 local council PR ballots, eight metropolitan council PR ballots and 44 district council PR ballots.

Following the ruling of the Constitutional Court on 14 June 2016 relating to the Tlokwe by-elections, the Commission introduced a new administrative feature on voting day at all voting stations. This involved requesting registered voters for whom the Electoral Commission did not have an address recorded on the national voters' roll to provide their addresses.

Special voting

The law provides for two categories of special voters: those who cannot travel to the voting station due to physical infirmity or disability, and those who can visit the voting station, but who cannot do so on voting day. The election timetable for the 2016 Local Government Elections identified 1 and 2 August 2016 for both types of special votes.

A voter who intended to cast a special vote was required to make an application between 10 June and 8 July 2016. Ahead of the 2016 Local Government Elections, the Municipal Electoral Act was amended to expand the manner in which registered voters were able to apply for a special vote to include online and mobile SMS applications – along with the existing method of applying in person (or through a proxy) at

the municipal electoral office responsible for the voting district in which the voter was registered to vote.

The Electoral Commission received 741 721 applications for special votes, which represented 3% of the total number of registered voters for the 2016 Local Government Elections. The number of special vote applications increased by a factor of three compared with the 2011 Local Government Elections (for which 239 693 special vote applications were received).

Of the 741 721 special vote applications received, 3% were declined. This was either because applicants were not registered to vote, or because the physical address of an applicant who had applied for a home visit not being located in the same voting district as the applicant was registered to vote.

Of the 719 226 approved special vote applications, 402 767 special votes were cast on 1 and 2 August 2016. This represented a 56% special voter turnout, compared with a 70% special voter turnout in the 2011 Local Government Elections (for which 162 400 special votes were cast.)

Voter turnout

A total of 15 290 820 registered voters voted in the 2016 Local Government Elections out of 26 328 760 registered voters. A total of 55 710 MEC 7 votes were cast. An MEC 7 vote is a vote cast when a voter's name does not appear on the voting district segment of the voters' roll, yet the voter has proof of having applied to register as a voter in the voting district in question. Consequently, the voter is deemed to be a registered voter in the voting district and is provided with an MEC 7 vote. This represents a voter turnout of 57.95%, which is slightly lower than the target of 60%, but compares favourably with the voter turnout in previous municipal elections – as demonstrated below:

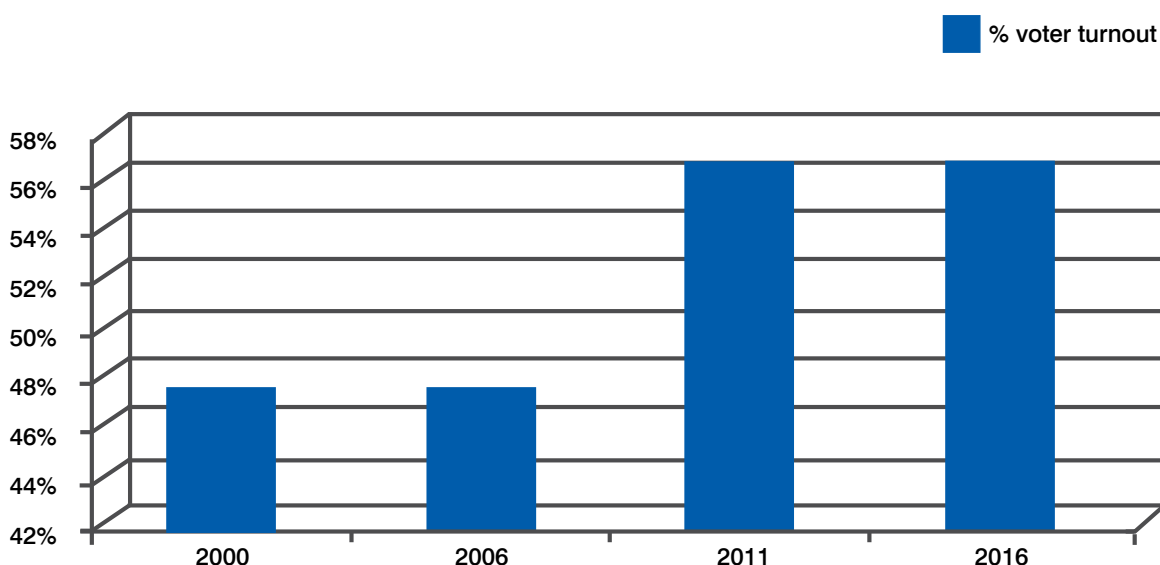


Figure 6: Voter turnout

Voter turnout in the 2016 Local Government Elections was the highest in the Western Cape (64%) and lowest in Limpopo (50%) – as demonstrated below:

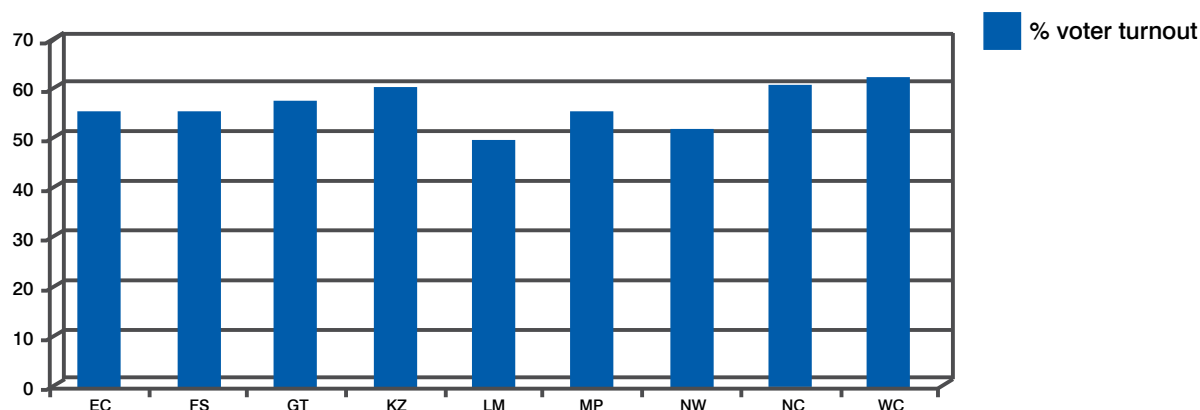


Figure 7: Voter turnout per province

The percentage of ballots that were regarded as being spoilt was 1.83%, which compared favourably with the figures for 2011 (1.89%), 2006 (1.83%) and 2000 (2.36%).

The number of MEC 7 votes cast in the 2016 Local Government Elections was 55 710, compared with 54 655 MEC 7 votes in 2011, and 146 535 such votes in 2006. (Please see performance indicators 3.1.1 and 3.2.1 under Programme 3.)

Results

The final results of the 2016 Local Government Elections were available within 74 hours of these elections, with delays emanating from the Johannesburg, Ekurhuleni and Tshwane metropolitan councils. In the 2011 Local Government Elections, all results were recorded, scanned and audited within 56 hours.

The Electoral Commission announced the results of the 2016 Local Government Elections at a function at the National Results Operations Centre on 6 August 2016. The results were published in the *Government Gazette* on 10 August 2016, which served to declare

the designated councillors elected.

The election of district councils occurred partly on 3 August 2016 (40% of district councillors are elected on a proportional representation basis by voters) and the balance within 14 days after the publication of the elected councillors in the *Government Gazette* (by 24 August 2016). The remaining 60% of district council seats were filled by representatives elected from and by the local councils.

Liaison with political parties

The Electoral Commission is bound by legislation to establish PLCs with parties at the national, provincial and municipal levels. These PLCs serve as vehicles for consultation and cooperation between the Electoral Commission and the represented political parties.

A target of 1 338 was determined for the year under review. This target was influenced by the context of preparation for a general election in which there is heightened activity of liaison with political parties. The target was exceeded by 599 meetings.

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

Table 10: Party liaison meetings

Province	National	Provincial	Municipal	Total
Eastern Cape			258	258
Free State		2	159	161
Gauteng		10	47	57
KwaZulu-Natal		13	406	419
Limpopo		11	222	233
Mpumalanga		6	198	204
North West		5	203	208
Northern Cape		3	191	194
Western Cape		7	179	186
National office	17			17
Total	17	57	1 863	1 937

Registration of political parties

Due to the increased interest in the 2016 Local Government Elections, a number of parties applied to register in the period under review. In total, 144 parties registered, with 37 parties applying to be registered at a national level, and 107 parties registered at a municipal level.

The total number of political parties on the party register for the 2016 Local Government Elections was 345, of which 205 political parties contested the elections.

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 that party's reserve list of candidates. The CEO must declare, in writing, the person at the top of the party's list of candidates as elected. A party may amend its candidate list within 21 days of the vacancy occurring. The person at the top of the candidate list must be declared elected within 14 days after the expiration of the 21 days.

A total of 360 PR replacements were processed between 1 April 2016 and 31 March 2017.

A breakdown of these PR replacements and the reasons for the vacancies is reflected in the table below:

Province	Councillor expulsion	Councillor resignation	Death of Councillor	Total
Eastern Cape	6	19	6	31
Free State	11	25	2	38
Gauteng	3	35	3	41
KwaZulu-Natal	18	61	6	85
Limpopo	6	21	3	30
Mpumalanga	2	39	5	46
North West	7	17	5	29
Northern Cape	5	7	6	18
Western Cape	7	33	2	42
Total	65	257	38	360

By-elections

A total of 25 by-elections to fill ward vacancies were conducted during the year. The table below provides a historical overview of the number of by elections per annum.

Table 12: Comparison of 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
2016/17	25

The number of by-elections conducted showed a decrease compared with the previous period owing to the legislated moratorium on by-elections in the six-month period preceding general municipal council elections.

Ward vacancies are required by law to be filled within 90 days of the date on which the vacancy occurs.

All 25 ward vacancies were filled within 90 days. On average, the 25 ward vacancies were filled within 83 days. This is seven days less than required by law.

The Electoral Court set aside the results of two ward elections: those in Newcastle Ward 23 (in November 2016) and in Dr JS Moroka Ward 11 (in December 2016), which necessitated by-elections.

The Newcastle Ward 23 by-election was scheduled for 5 April 2017, while the Dr JS Moroka Ward 11 by-election was conducted on 8 March 2017

The reasons for the 25 ward vacancies in the period under review are shown below

Table 13: Reasons for ward vacancies in 2015/16

Reason for ward vacancy	Number (and percentage) of ward vacancies
Death of councillor	13 (52%)
Resignation of councillor	11 (44%)
Election result set aside	1 (4%)
Total	25 (100%)

Details of the by-elections conducted, as well as the number of implicated voting districts and registered voters, are presented in the table below.

Table 14: Number of by-elections from 1 April 2016 to 31 March 2017

Province	Number of by-elections	Number of voting districts	Number of wards	Number of registered voters
Eastern Cape	8	46	8	46 390
Free State	2	12	2	13 269
Gauteng	-	-	-	-
KwaZulu-Natal	6	35	6	35 175
Limpopo	2	13	2	12 674
Mpumalanga	3	10	3	11 654
North West	-	-	-	-
Northern Cape	1	3	1	1 882
Western Cape	3	17	3	26 928
Total	25	136	25	147 972

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 25 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 9 and 10 April 2016 and on voting day.

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 facilities can be in the form of a basic storeroom, storage shed or container, dependent on the prevailing volume needs and the offering of adequate security. Local storage facilities were procured and activated as needed during the period under review.

Programmable Barcode Scanner Unit fleet

The Electoral Commission holds a fleet of 32 130 programmable barcode scanner units (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 the average technological norms. In order to ensure sustained operational effectiveness of the units, the Electoral Commission has entered into a maintenance contract with a specialised technical service provider to ensure the regular testing, servicing and essential maintenance of these units.

All the units were operationally prepared and successfully deployed to all voting stations for voting day on 3 August 2016.

The PBSUs are also utilised at voting stations during voting procedures to capture and record voter participation details, as well as to provide the sequential number of the voter on the voters' roll.

The 2016 Local Government Election voting material statistics

For the 2016 Local Government Elections, the materials used on voting day included the following:

- 73 900 000 ballot papers
- 133 572 voting compartments
- 163 947 ballot boxes
- 58 466 stationery packs
- 38 200 identification stickers – combo packs
- 45 224 banners

Voting stations infrastructure

Voting stations provide an essential platform for the delivery of elections. For the 2016 Local Government Elections, the voting station network comprised 22 612 voting stations, which represents an overall 1% increase compared to the 22 569 voting stations that were utilised for the 2014 National and Provincial Elections.

The voting station network has stabilised over the short term, given the organisation's increased focus on creating voting centres (that are essentially larger physical structures with multiple streams/substations to improve voter processing in areas with a high population density) instead of establishing new voting stations.

Although the trend of a more stable voting station network is expected to continue into the future, factors such as population growth, new settlement patterns, the requirement of improving voter accessibility, as well as the revised municipal demarcation data will continue to contribute to the need for increasing the voting station footprint.

One voting station is 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 2017 comprised 64% 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 2014 National and Provincial Elections.

A breakdown of the types of voting stations utilised for the 2016 Local Government Elections is illustrated in the table below.

Table 15: Voting stations

Province	Voting districts	Permanent voting stations	Schools	Temporary voting stations	Mobile voting stations
Eastern Cape	4 699	4 535	77%	161	3
Free State	1 531	1 342	44%	189	0
Gauteng	2 716	2 389	53%	327	0
KwaZulu-Natal	4 792	4 647	73%	133	12
Limpopo	3 111	2 966	78%	145	0
Mpumalanga	1 744	1 650	63%	82	12
North West	1 723	1 605	56%	115	3
Northern Cape	710	684	33%	26	0
Western Cape	1 586	1 534	42%	50	2
Total	22 612	21 352	64%	1 228	32

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 2016/17:



Some 133 500 voting compartments and nearly 74 million ballot papers were employed in the 2016 Local Government Elections

Table 16: Voting station facilities

Province	Without electricity	Without water	Without sanitation	Without GSM coverage
Eastern Cape	827	579	384	8
Free State	284	231	250	0
Gauteng	475	444	443	0
KwaZulu-Natal	607	949	232	0
Limpopo	261	362	288	6
Mpumalanga	164	191	146	2
North West	181	182	176	2
Northern Cape	93	91	89	21
Western Cape	111	112	119	8
Total	3 003	3 141	2 127	47

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 the correct controlled quantities. A BOM and an MRP for each ward by-election were 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 voting day support at voting stations.

Local 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 270 local offices in 213 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. 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 213 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 election-related 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, however, 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

The Electoral Commission's internal trainers were taken through an accredited facilitator training programme during 2015. The main objective of this training was to equip the trainers with facilitation skills through the use of lesson plans in order for them to, in turn, deliver quality training to presiding officers, deputy presiding officers and voters' roll officers employed during the 2016 Local Government Elections.

The national training session (imbizo) was conducted from 7 to 11 December 2016, where all the provincial master trainers were familiarised with the content, approach and training methodologies that were to be utilised during the training of electoral staff. This assisted in ensuring standardised electoral staff training throughout the provinces and local offices. The provincial training imbizos were conducted as set out in the table below.

Table 17: Election imbizos

Province	Imbizo date	Registration training rollout date
KwaZulu-Natal	18–22 April 2016	23 May 2016
Gauteng	3–5 May 2016	3 June 2016
Western Cape	3–6 May 2016	27 May 2016
Eastern Cape	9–13 May 2016	26 May 2016
Mpumalanga	9–13 May 2016	26 May 2016

Province	Imbizo date	Registration training rollout date
North West	16–20 May 2016	31 May 2016
Free State	16–20 May 2016	1 June 2016
Limpopo	23–27 May 2016	4 June 2016
Northern Cape	6–10 June 2016	13 June 2016

In a bid to ensure that competent staff were working at all the voting stations, a total of 204 737 electoral staff, including replacement staff, were trained for the 2016 Local Government Elections.

Area Managers who play an integral part in the management of elections were also trained. Furthermore, training was provided to 350 party agents and 250 members of security services agencies.

Provinces started with the electoral staff training roll-out programmes between May and June 2016 for the planned elections in August 2016.

Linking Performance with Budgets

Programme name	2016/17			2015/16		
	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
	1 017 791	1 199 726	(181 935)	727 540	664 216	63 324

3.3 PROGRAMME 3: OUTREACH

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

Outreach in the Electoral Commission encompasses Civic and Democracy Education, Communications, Knowledge Management, Media Relations, Research and Stakeholder Relations Management.

Civic and Electoral Democracy Education informs and educates the public on electoral democracy with a view to strengthening participation in electoral processes. Research optimises available data in order 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 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 in order to promote knowledge of and adherence to democratic electoral principles, and promotes collaboration with the same when necessary.

Strategic objectives

Strategic Objective 3.1

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

Strategic Objective 3.2

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

Strategic Objective 3.3

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

Strategic Objective 3.4

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

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

Programme 3: Outreach							
Strategic objective	Reference	Performance indicator	Actual achievement 2015/16	Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
3.1 Encourage the electorate's engagement with, and participation in, electoral processes.	3.1.1	Number of voters who turn out to vote in national and municipal elections, as a percentage of registered voters in years when applicable	N/A	60% of registered voters (15 683 473)	57.95% of registered voters (15 290 820)	Target underachieved by 2.05% (392 653 registered voters)	A total of 57.98% was achieved despite a challenging socio-political environment and bad weather in many parts of the country.
	3.1.2	Number of civic and democracy education events held per annum	73 621	60 000 events	48 449	Target underachieved by 11 551 events	15 388 events held in 2016/17 are not included in the actual number reported as the standards set for an event (attendance by at least 20 people and evidence of educational content) were not met.
	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	20 722 342 (3 978 342 according to the television audience measurement statistics (TAMS) and 16 794 000 according to the radio audience measurement statistics (RAMS))	2.5 million viewers and listeners	Target overachieved by 5 775 432 viewers and listeners	8 275 432 viewers and listeners (1 505 432 according to TAMS and 6 770 000 according to RAMS)	The low target of 2.5 million for the year under review was set with a May 2016 Local Government Elections in mind. However, the election only took place in August 2016. Over the additional three-month period, programming was intensified to impact positively on registration and voter turnout, hence the additional 5.8 million listeners and viewers reached.
	3.1.4	Public perceptions held of the Electoral Commission as evidenced by the media reports for each year covered by the APP	83.5% positive /neutral	75% positive/neutral achievement	Target overachieved with 17.27% positive/neutral	92.27% positive/neutral achieved	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 perceptions still remained positive or neutral.
3.2 Achieve a low rate of spoilt ballots.	3.2.1	Recorded number of spoilt ballots in national and municipal elections in the years when applicable	N/A in 2015/16	1.6% of votes cast	1.83% of votes cast	Target underachieved by 0.23% of spoilt ballots	The disaggregated figures for spoilt ballots reveal differences in the number of spoilt ballots for each of the different ballot papers – there appears to be a greater level of understanding among voters of the ward ballot (the lowest level at 1.64% spoilt) compared to PR (1.86% spoilt) and District Council (highest at 2.12%). Balloting education for a municipal election is more demanding than for National and Provincial Elections, and will merit more attention during by-elections and before the next municipal elections.
	3.3.3	Number of interactions/liasons interannually achieved per annum	32	30	20	Target underachieved by 10 liaisons	Due to the later than projected date of the 2016 Local Government Elections and the implementation of austerity measures, international interactions were restricted to the absolute minimum.
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	4	4	4	Target achieved	Target achieved

Civic and Democracy Education

The year 2016 marked the fifth anniversary of the United Nations Declaration on Human Rights Education and Training, which was first adopted in 2011. This landmark declaration recognises the right of every person on the planet (seven billion people) to have access to human rights education and civic and democracy education (CDE) in order to promote a universal culture of democracy and human rights. The Electoral Commission's approach to CDE embraces this global vision and the educational programmes undertaken by the Electoral Commission demonstrate its commitment to:

- foster participation in electoral processes through continuous CDE, which extends across the electoral cycle, engaging the public in the periods before, during and after general elections; and
- provide public education as a lifelong process involving all ages, all parts of society, and through formal and informal education.

CDE, 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" and human rights education are closely inter-related and mutually supportive. Voter education and balloting education form an integral part of CDE. 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

In the period under review, the Electoral Commission's community mobilisation programme played a vital

role in encouraging the electorate's participation in electoral processes and in facilitating the right to vote as enshrined in the Constitution. Civic and voter education programmes were intensified across communities in South Africa to ensure that voters were knowledgeable, informed, ready and able to engage in electoral processes. Research highlighted the importance of face-to-face outreach work, as direct and personal interaction with voters is more likely to influence and galvanise voters to register and get to the polls.

Community mobilisation covered human rights education, CDE and voter education through presentations and discussions on both how and why to vote. It specifically attempted to increase voter registration and voter participation during elections. It also aimed at minimising spoil votes.

For the 2016 Local Government Elections, the Electoral Commission's internal capacity to conduct voter education was boosted through the engagement of temporary staff 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.
- Democracy Education Facilitators (DEFs) were deployed at ward level in eight provinces with the exception of Mpumalanga, where partnerships with traditional councils enabled access to rural constituencies. Each DEF was assigned a maximum of three wards.

The table below shows the Electoral Commission's dedicated educational capacity for community mobilisation for the 2016 Local Government Elections.

Table 18: Community mobilisation

Province	Number of outreach and training officers Permanent capacity at district level	Number of MOCs Expansion capacity Duration: September 2015 to September 2016	Number of DEFs Expansion capacity Duration: October 2015 to July 2016	Other
Eastern Cape	8	45	238	
Free State	5	24	105	
Gauteng	5	19	169	
KwaZulu-Natal	11	54	276	
Limpopo	5	26	181	
Mpumalanga	3	18	NIL	62 formal partnerships with traditional councils
North West	4	19	165	
Northern Cape	5	27	108	
Western Cape	6	28	134	
Total	52	260	1 376	

For the 2016 Local Government Elections, the Electoral Commission also worked with and capacitated CSOs in order to augment its own capacity.

Voter education materials

Various fact sheets, posters, sample ballot papers, legislation booklets and handbooks were developed and distributed during the period under review. These included new materials and reprints of generic materials.

Factsheets covered the following content areas:

- a) What is the Electoral Commission?
- b) Electoral Fraud and Offence
- c) Register to Vote
- d) Electoral Code of Conduct
- e) Universal Balloting Template
- f) What Happens When the Boundaries of your Voting District Change?
- g) Local Government Elections
- h) Free and Fair Elections
- i) Balloting Education
- j) Special Voting, Counting and Results

Generic and municipal elections-specific materials were made available in all 11 official languages, Nama, braille and audio. Print materials were available on the Commission's website.

Stakeholder briefings

Broad stakeholder engagement, dialogue and briefings with key partners are key to successful electoral processes and building synergies with relevant actors. The following briefings took place in the period under review:

National Coordinating Forum of Civil Society Organisations: In May 2016, members of the National Coordinating Forum of Civil Society Organisations were briefed on readiness for the 2016 Local Government Elections. This forum has been active since 2013 and includes FBOs, non-governmental organisations (NGOs) and traditional leaders. The forum's focus areas of civic and voter education, conflict management and election observation enable each member organisation to spur its constituencies and encourage participation in elections.

The forum enables partnership and dialogue with CSOs for the sustainable impact of these programmes in the democracy, human rights, peace and elections sector. It 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 in education, conflict management and election observation.

National Briefing of Traditional Leaders: Similarly, in May 2016, a national briefing of traditional leaders was held. The National and Provincial Houses of Traditional Leaders, as well as the Congress of Traditional Leaders of South Africa, participated in the briefing.

Improving access to the vote for persons with disabilities and voting assistance for the visually impaired

As a constitutional institution, the Electoral Commission is committed to meaningfully uphold, incrementally improve, and progressively realise and advance the rights and duties of persons with disabilities to exercise their universal right to accessible and inclusive voting in public on equal terms with others without discrimination. During the period under review, persons with disabilities (PWDs) received ongoing and focused attention through dedicated programmes which aimed to:

- a) increase the number of registered voters within the disability sector;
- b) institutionalise the use of the universal ballot template (UBT);
- c) increase the uptake of special votes;
- d) produce specific materials in braille, large font, sign language and as necessary;
- e) encourage accreditation of observers for by-elections; and
- f) facilitate equitable participation of the visually impaired in voting processes and the right to a secret ballot.

The Electoral Commission has always been sensitive to the needs of voters who are visually impaired. The fact that the Commission needs to constantly expand the size of the UBT to accommodate larger ballot papers is also an indication of the strong growth of multiparty democracy in our country.

New and bigger cardboard UBTs and ballot papers with tactile features were developed in 2016/17.

These new templates were necessitated by the record number of political parties and candidates contesting the 2016 Local Government Elections. The Electoral Commission partnered with Blind SA and the South African National Council for the Blind (SANCB) to develop a special new 32-window cardboard ballot template to allow visually impaired voters to vote unaided in the elections. An even bigger double-column 40-window cardboard UBT was used in the City of Cape Town Metropolitan Municipality municipal council elections, where 36 parties contested the elections. The Cape Town ballot paper was the largest yet seen in a South African election. It was A3 in size (420 mm x 384 mm) – approximately twice the size of a traditional ballot paper.

The Electoral Commission first developed a UBT, together with SANCB, for use in the 2011 Local Government Elections. The original plastic UBT accommodates ballots with up to 18 parties or candidates and has been in use in elections ever since. The new cardboard templates work in exactly the same way as the plastic UBT. They have windows numbered in Braille with numbers in a large white font so that people with different tactile literacy and sight levels can use the same template.

Both the ballot papers and the templates had a tactile recognition feature to assist visually impaired voters with the correct alignment of the ballot paper in the template. Ballot papers had a circular hole punched in the bottom left corner. All the templates had a built-in tactile feature on the top right-hand corner.

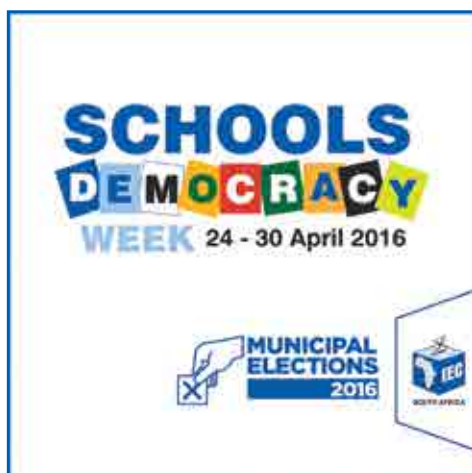
All voting stations in the 2016 Local Government Elections were supplied with a UBT. Election officials were trained to assist visually impaired voters to mark their ballots unaided with the use of a UBT and to cast their vote. The Electoral Commission conducted voter education on using the UBT in all provinces. Voter education for the visually impaired was conducted nationwide with the assistance of organisations representing visually impaired persons, including Blind SA and SANCB.

The Commission is grateful to SANCB and Blind SA for their partnership. Developing a new ballot template in such a short space of time would not have been possible without their expert assistance.

SANCB and Blind SA expressed their gratitude to the Electoral Commission for its efforts. Blind SA also released a media statement applauding the Electoral Commission's investment in the UBT, both from a financial and human rights perspective, as a rewarding and enriching experience for the visually impaired and for free and fair elections. There is no doubt that the new cardboard ballot templates continue to make the voting experience accessible and secret for blind and partially sighted people. The use of assistive devices and new technologies play an important role in building a more inclusive democracy. The Commission looks forward to this inclusivity being progressively improved with each ensuing election.

The 2016 Schools Democracy Week

Empowering young South African citizens with the knowledge, skills and attitudes necessary for active citizenship and encouraging them to register and vote in elections is critical to nurturing and consolidating democracy. This is supported by research that voting is habit-forming – as soon as people have voted once, particularly at an early age, they usually continue to vote in future elections. Encouraging first-time voters is critical for the long-term sustainability of democracy.



Never too young to learn about democracy: Schools Democracy Week is one of the Electoral Commission's key outreach programmes

The 2016 Schools Democracy Week, held in partnership with the Department of Basic Education (DBE), was an undoubted highlight of the period under review. The Schools' Democracy Week is the flagship activity of the Schools' Democracy Programme. The Programme was inaugurated in 2013, when the Electoral Commission signed a Memorandum of Agreement (MoA) with the DBE. The aim of the programme was to educate learners in democratic values and electoral processes, and ultimately assist the Electoral Commission (in its role as a Chapter 9 institution) to strengthen constitutional democracy and promote a culture of democracy and human rights by creating and emphasising awareness of civic responsibilities.

As a critical component of the Schools Democracy Programme, Schools Democracy Week has the specific intention to increase youth participation in electoral democracy and to institutionalise electoral democracy content into the curriculum.

The 2016 Schools Democracy Week was held from 24 to 30 April 2016, when South Africans were celebrating 22 years of electoral democracy. The week encompassed Freedom Day on 27 April. Significantly, it also took place during the 20th anniversary year of the adoption of the South African Constitution, which grants citizens the right to vote, among a variety of civil, political and other human rights. The timing, just a few months ahead of the 2016 Local Government Elections, provided an opportunity for pupils aged 16 and older to register, and for those who would be 18 by voting day on 3 August 2016, to vote in the 2016 Local Government Elections.

Intensive focus was given to voter participation during curricular, co-curricular and extracurricular activities. This helped buttress the theme for the elections – “My future is in my hands” – particularly relevant to learners who are indeed the future of this country. Schools Democracy Week motivated young people to participate in the 2016 Local Government Elections and raised the profile of the Electoral Commission within school communities and the general public. Through voter registration activities, the under-representation of youth on the national common voters' roll was addressed. Learners were encouraged to register and participate, and to urge their families and communities to do so too. Activities for the week included voter education, debates, presentations, mock elections, role play, interactive sessions, lectures, presentations, assembly talks, arts and culture programmes, and formal lessons.

Each Schools Democracy Week since 2013 has been heralded by incremental improvement and innovation. In 2016, customised voter education “fillers” (short voter education messages) were broadcast on 15 SABC public radio stations from 19 to 30 April 2016. These radio voter education messages were made possible through the Electoral Commission’s partnership with SABC Education. The filler was produced in all official languages, and promoted the concept of freedom of choice in elections. It also created awareness of registration and voting for the municipal elections.

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 was able to run mass multimedia civic and voter education campaigns with maximum reach to the general public and to the electorate. The radio and television voter education campaigns provided wall-to-wall coverage and generated high listenership and viewership figures from January 2016 to August 2016. Through the development of innovative and customised electoral democracy content, they provided citizens with the means to discuss, debate and educate themselves about key issues of constitutional democracy.

Programmes to encourage participation in the municipal elections included 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 SABC 1, 2 and 3

Both radio and television are best suited to reaching the widest possible audiences to disseminate information and deepen discourse around issues of democracy. However, television is the most common medium through which South Africans can access political content. The latest voter participation survey confirms that television and radio are potent vehicles for voter education and remain the preferred sources of information on elections and for raising awareness on the Electoral Commission’s role in promoting constitutional democracy.

Exhibitions

Successful exhibitions showing the Electoral Commission’s achievements in conducting municipal elections were displayed at the National Results Operation Centre and all nine provincial operation centres. The theme of the exhibitions was “21 years of local government elections”.

Knowledge Centre

The Electoral Commission boasts an excellent Knowledge Centre, consisting of an in-house library, a registry, reproduction, messenger and postal sections, as well as an extensive photo library and archive. Annually, all documented information is filed and preserved according to relevant legislation, namely the National Archives and Record Service of South Africa Act, Act 43 of 1996, the Promotion of Access to Information Act, Act 2 of 2000, and the Electronic Communications and Transactions Act, Act 25 of 2002. The Knowledge Centre positions the Commission for pre-eminence in electoral democracy as it keeps abreast with regional and global best practices.

The Electoral Commission’s exceptional library collection, established and amassed since 1998, is befitting of its role as an independent national institution. As a knowledge repository for learning material related to democracy, free and fair elections and to the core functions and programmes of the Electoral Commission, the library supports staff and any researcher who wishes to use its services with up-to-date reference material, books, resources, publications and journals, as well as an electronic collection. As a learning organisation, the Electoral Commission subscribes to the notion of lifelong learning.

The Electoral Commission’s library was a hub of activity during Library Week 2017, which ran from 20 to 24 March 2017. The Electoral Commission annually supports the drive of the Library and Information Association of South Africa (LIASA) to make SA Library Week a celebration of our country’s intellectual and literacy heritage. Library Week provided an opportunity to encourage staff to visit the library, to market the library’s services to staff, to foster a workforce of informed election practitioners and ultimately to understand the important role that libraries play in a democratic society, advancing literacy, making the basic human right of freedom of access to information a reality, and promoting tolerance and respect among all South Africans.

COMMUNICATIONS

Overview

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

Preparations and activities for the 2016 Local Government Elections dominated the first half of the 2016/17 financial year for the Electoral Commission’s communication unit. In particular, the unit was tasked with driving the creative campaign with the aim to encourage voter registration and engagement among new voters, particularly South Africans under the age of 30, while maintaining engagement with older, more seasoned voters.

Other key communication activities during the year included internal and external communications relating to by-elections, address harvesting (collecting

and checking addresses of voters following the ruling of the Constitutional Court) and a range of organisational and operational activities.

The 2016 Local Government Elections campaign

Being an election year, the 2016/17 financial year was dominated by the 2016 Local Government Elections and related activities.

A key aspect of the elections was the development and implementation of a comprehensive communication strategy to promote participation in and awareness of the 2016 Local Government Elections among all key stakeholders. The election campaign under the slogan “The future is in your hands” was launched in January 2016 at an event featuring key stakeholders, including political leaders, civil society and the media.

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 focusing 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.

Following the success of the social media campaign for the 2014 National and Provincial Elections, digital and social media were once again key channels for communication in the 2016 Local Government Elections communication drive. This included the sending of approximately two million SMS messages to South African citizens aged between 17 and 25 years in the week leading up to the second registration weekend in April 2016, urging them to register as voters.

Following the Constitutional Court ruling on 14 June 2016, a further five million SMS messages were sent to registered voters for whom no address was available on the national voters’ roll to urge them to visit their voting station on registration weekend to provide an updated address.

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 Local Government Elections mini website (microsite), with almost daily posts providing eligible voters with information on municipal government, municipal elections and the requirements for registration.

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, voting processes and voting station information.

In order to help boost registration by first-time voters, Facebook launched its first-ever voter registration campaign in Africa in partnership with the Electoral Commission. This partnership saw the deployment of a special voter registration message to all Facebook users aged over 18 years and a button that voters could share with friends to show that they had registered. This was followed by a voting campaign on voting day.

On 2 and 3 August, a specially created “thumbie” (a selfie of a thumb marked with voting ink) video was posted on Facebook, Twitter and Instagram, promoting the hashtag #ivoted. This hashtag then proceeded to trend at the number one spot on Twitter for the entire voting day.

Between 1 April 2016 and the end of March 2017, the Electoral Commission enjoyed the following significant growth in key social media platforms:

- a) The number of Twitter followers grew from just over 130 000 followers at the start of April 2016 to 155 000 followers by the end of the election period at the end of August 2016, and to just under 166 000 followers at the end of March 2017. Throughout the election period, the Electoral Commission’s Twitter profile featured in the top five governmental Twitter profiles in South Africa.
- b) Facebook likes increased from just over 227 000 likes at the start of April 2016 to 288 000 likes by the end of the election period at the end of August 2016, and fell slightly to just over 286 000 likes by the end of the financial year in March 2017. Worth noting is that the Electoral Commission made the top 50 South African brand list on Facebook and was the leading public sector brand. At the start of the financial year, the Electoral Commission



Content on Facebook ahead of the April registration weekend focused on motivating voters to register for the 2016 Local Government Elections

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. Facebook is currently writing a case study on the 2016 Local Government Election campaign.

- c) The Electoral Commission's newly established presence on the Instagram photo-sharing platform ahead of the registration weekends for the 2016 Local Government Elections grew to some 600 followers with minimal promotions. It is interesting to note that one advert on Instagram ahead of the April registration weekend attracted a total of 1 527 667 impressions.

Another first for the financial year was the introduction of a USSD string (*120*432# or *120*IEC#), which enabled voters without smartphones or access to the internet to check their registration details and find their correct voting station, which is key to voting in municipal elections. During the 2016 Local Government Elections campaign (November 2015 to August 2016), over one million unique users accessed more than five million page views on the USSD.

The social media campaign for the 2016 Local Government Elections won a number of national and international awards in 2016:

- Advertising Media Association of South Africa (AMASA) Awards 2016:
 - Best integrated campaign (public sector)
- Mobile Marketing Association (MMA) South Africa Smarties Awards 2016:
 - Cross Mobile Integration (gold)
 - Messaging (bronze)
 - Band Awareness (bronze)
- MMA's Europe, Middle East, Africa (EMEA) Awards:
 - Messaging (gold)
 - Mobile Native (silver)
 - Social Impact (silver)

Voter education game IXSA

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 for the 2016 Local Government Elections to include the voter registration process and additional information around electoral democracy.

The updated version of the game, which was released in Android, Apple and Windows application stores for free download in late 2015, had recorded just over 41 000 downloads and had been played nearly 34 000 times by the end of August 2016. Scoring for the game showed that about 67% of the questions in the game were answered correctly.

Contact centre

The growing demands on the organisation to provide its various stakeholders with information on elections at their convenience, and during the 2016 Local Government Elections period 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 was 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.

The contact centre was operational during the year under review from 1 April 2016 until two days after the conclusion of the 2016 Local Government Elections (Friday, 5 August 2016).

The contact centre attended to standard queries on the Electoral Commission's social media platforms, namely its Facebook and Twitter pages. Non-standard queries (according to pre-defined criteria) were still escalated to the Communication Department at the Electoral Commission's national office. The contact centre was staffed by a core group of 28 agents with additional resources added for peak periods, including the April registration weekend and the week of the elections. At its peak, the contact centre was staffed by 113 agents and two team leaders. The following are some statistics from the call centre, which was operational from 9 November 2015 to 5 August 2016:

- a) Total number of calls: 218 260 (137 263 in the year under review)
- b) Total number of calls handled by interactive voice response: 144 308 (96 063 in the year under review)
- c) Total number of calls handled by agents: 73 952 (41 200 in the year under review)
- d) Percentage of calls abandoned: 0.60%
- e) Total social media interactions received: 73 614 (49 690 in the year under review)
- f) Total Facebook interactions: 5 887 (3 845 in the year under review)
- g) Total Twitter interactions received: 48 877 (36 642 in the year under review)
- h) Total emails received: 18 850 (9 203 in the year under review).

The most common questions about registration were about voter registration status information, registration requirements and the location of registration stations. The languages that accounted for the greatest call volumes were English (65.61%), Afrikaans (21.87%) and the Nguni languages (8.09%).

Internal communications

Staff members are key stakeholders in any organisation, and the Electoral Commission is no exception. Employees are kept informed and updated

on key events, issues and information both during an election period and between elections when the by-election cycle resumes. To ensure that members of staff were constantly informed about key issues, the following internal communication channels were used during the 2016/17 financial year:

- a) a monthly newsletter issued electronically to all staff members;
- 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; and
- d) text messages to all staff ahead of the registration weekend in April 2016 to encourage and motivate them.

Publications

The Communication Department published the Guide to the 2016 Local Government Elections, of which 6 000 copies were printed and distributed to stakeholders who were in attendance at the national and provincial results operations centres on voting day and the days leading up to the results announcement.

The purpose of the guide was to provide a detailed overview of the Electoral Commission's mandate, structure and operational procedures. It also gave a detailed overview of the preparations for the elections, including activities pertaining to delimitation, voter registration, logistics and infrastructure, civic and voter education, and political party liaison, among others. Lastly, it provided a relatively detailed overview of the results of South Africa's past four municipal elections, and contextualised the results operations centres at the heart of electoral processes.

After the elections, the Communication Department undertook the planning and compilation of the 2016 Local Government Elections Report in terms of section 14(3) of the Electoral Commission Act, Act 51 of 1996.

Media relations

Key issues covered by the media during the period under review included municipal demarcation, targeted voter registration, voter registration activities, elections, counting and the official announcement of the election results. Other key media activities related to the Constitutional Court judgment of 14 June 2016 and by-elections activities that were undertaken after the 2016 Local Government Elections.

The Electoral Commission has developed a synergistic partnership with the South African media, which enabled it to reach voters in every part of the country. Every voter was conversed with in their own language on electoral activities and significant events. A total of 22 909 media reports that were directly related to the Electoral Commission were recorded during the year under review, as reported by the independent media monitoring service engaged by the Electoral Commission. Coverage was predictably focused on the 2016 Local Government Elections and was therefore concentrated in the first quarter (7 713 articles or 33.66%) and in the second quarter (12 331 or 53.82%), with media coverage dropping off dramatically following the conclusion of the elections.

Of the total media reports for the year in review:

- a) 10 302 (44.97%) were assessed as having a positive impact on the reputation of the organisation;
- b) 10 837 (47.30%) were assessed as being neutral; and
- c) 1 770 (7.73%) were assessed as having a negative impact on the reputation of the organisation.

Table 19: Media analysis: 2016/17

Month	Number of positive articles	Number of neutral articles	Number of negative articles	Total number of articles
April 2016	1 446	1 288	387	3 121
May 2016	637	1 137	63	1 837
June 2016	1 086	1 397	272	2 755
July 2016	2 691	1 784	179	4 654
August 2016	2 213	3 492	732	6 437
September 2016	665	503	72	1 240
October 2016	402	446	22	870
November 2016	483	138	10	631
December 2016	106	201	26	333
January 2017	257	260	1	518
February 2017	220	64	0	284
March 2017	96	127	6	229
Total	10 302 (44.97%)	10 837 (47.30%)	1 770 (7.73%)	22 909

During the year:

- a) a total of 64 media releases were issued; and
- b) approximately 120 interviews were conducted.

Events management

Events provide an important opportunity to engage directly with stakeholders, as well as to bring public attention to key aspects and milestones of the work of the Electoral Commission. The following were among the key events held during the 2016/17 financial year:

- a) **Signing of the National Code of Conduct:** All political parties contesting the 2016 Local Government Elections were afforded an opportunity to publicly sign the code of conduct pledge during a series of events hosted in each province. This series was kicked off with an event in Gauteng at which the leaders of political parties represented in the National Assembly committed themselves to upholding the Electoral Code of Conduct. This event, which took place on 16 May 2016, was broadcast live on major television news networks and radio stations.
- b) **Ballot paper draw:** The order of political parties on the ballot paper is traditionally chosen by means of a random draw. In the lead-up to the 2016 Local Government Elections, the Electoral Commission invited all political parties contesting the elections to attend the draw hosted at Elections House in Centurion. The Pan Africanist Movement was chosen to head the ballot paper with other parties following in alphabetical order. This event, held on 8 June 2016, was also televised live.
- c) **Launch of the National Results Operations Centre:** On 27 July 2016, a week before the elections, the Electoral Commission launched its National Results Operations Centre in Tshwane. The launch, broadcast live on television, provided the Electoral Commission with an opportunity to brief all stakeholders – including political parties, voters, observers and others – on its readiness for the elections. Some 500 stakeholders attended the launch.
- d) **Announcement of the election results:** The highlight on the election calendar is always the announcement of results by the Electoral Commission. On 6 August 2016, three days after the elections, the Commission hosted over 1 000 guests to witness the announcement of the official results during a broadcast televised live. The event was attended by key stakeholders, including the President of the Republic of South Africa, Mr Jacob Zuma, along with members of the diplomatic corps, leaders of political parties, members of Chapter 9 institutions, election observers, and members of government institutions and civil society.

Linking Performance with Budgets

Programme name	2016/17			2015/16		
	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	170 704	197 765	(27 061)	275 201	255 032	20 169



Announcement of the 2016 Local Government Elections results at the Tshwane Events Centre on 6 August 2016, three days after the elections

PART C

Governance



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 PFMA and its various regulations.

Parliament, the Executive Authority, the Commissioners and the CEO 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) 5 April 2016 for a briefing on the APP and budget for 2016/17;
- b) 17 May 2016 for a briefing on voter registrations and preparation for the 2016 Local Government Elections, including its plans to add addresses or particularities of voters in the national voters' roll; and
- c) 11 October 2016 for the 2015/16 Annual Report.

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 through the management process of the Electoral Commission. 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 for the year under review are as follows:

Table 20: Commission meetings

Table 20: Commission meetings

Name	Date appointed	Number of meetings attended
Mr Glen Mashinini	18 May 2015	23
Mr Terry Tselane	8 November 2011	23
Judge Gidfonia Makhanya	10 May 2011	18
Rev Bongani Finca	8 November 2011	23
Ms Janet Love	20 April 2016	18 (two meetings in the period under review were held before her appointment date)

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 21: 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).

An annual strategic planning workshop was held, involving senior management, where the Strategic Plan and APP 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. These 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. 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.

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 functionally to the statutory audit committee and administratively to the accounting officer, the CEO.

The audit committee operates within its written terms of reference and thereby executes its responsibilities 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 2016/17 are as follows:

Table 22: Audit committee members

Name of member (all external)	Qualifications	Date appointed	Attended	Apologies	Total attended	Retired/resigned
Mr JM Lekgetha	BCom	April 2011	2	2	2	August 2016
Mr YN Gordhan (Chairperson)	CA(SA)	October 2014	7	0	7	
Mr Il van Niekerk	CA(SA)	October 2014	7	0	7	
Ms J Meissner	CA(SA)	May 2016	5	1	5	
Ms T Sihlaba	ACCA: Certified Chartered Accountant	May 2016	1	0	1	July 2016
Adv CH Wessels	LLM	August 2016	2	1	2	

Table 23: Audit committee meetings

Name of member	4 May 2016	26 May 2016	26 July 2016	*27 July 2016	31 August 2016	27 October 2016	28 February 2017
Mr JM Lekgetha	√	√	×	×	Retired		
Mr YN Gordhan (Chairperson)	√	√	√	√	√	√	√
Mr Il van Niekerk	√	√	√	√	√	√	√
Ms J Meissner		√	√	√	√	√	×
Ms T Sihlaba		×	Retired				
Adv CH Wessels					√	×	√

* extraordinary meeting

Officials of the AGSA, the accounting officer, the interim Chief Financial Officer, 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 accounting officer as and when required. The audit committee continues to execute its oversight responsibilities, 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 to the Commission, as well as the accounting officer, the CEO.

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

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

An anonymous fax line to report suspected fraud and corruption was available at the Electoral Commission and all faxes received were followed up during the period under review. During the latter part of 2016, this service was outsourced and a company was appointed that specialises in whistleblowing processes to ensure that suspected fraud and corruption cases are handled independently and objectively.

10. MINIMISING CONFLICT OF INTEREST

The Electoral Commission recognises that conflicts extend beyond procurement matters, and, on 18 March 2016, the Commission approved a Conflict of Interest Policy that addresses the broader issues. 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 that 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 once 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 2017.

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 in Part C, point 7 (page 47).

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 Auditor General of South Africa, the audit committee has recommended improvements in the internal control environment. The audit committee has approved a consulting engagement for internal audit to assist management with further data analytics in relation to the completeness of voter address details in the ensuing financial year.

Management has committed to prioritise these and the audit committee will continue to monitor such remedial action in the ensuing year.

Performance Information

The audit committee noted the qualified opinion in Programme 3 and the inadequacy of information technology system workflow approval processes Outreach Management System (OMS) and will continue to monitor management corrective action in this regard.

Risk management

In addition to the information on risk management reflected in Part C (page 47), the audit committee is satisfied with the progress on the implementation of enterprise risk management initiatives.

The audit committee remains concerned about the future of the national office of the Electoral Commission as the court case to set aside the Riverside Office Park lease agreement is still in progress and the fact that the related disciplinary actions are still in abeyance.

The audit committee has requested the Commission and the accounting officer to expedite the appointment

of a Chief Risk Officer towards improving the maturity level of risk management in the organisation and thereby improve the synergy with internal audit processes.

Internal audit

In addition to the information on internal audit reflected in Part B (page 17 and 18), the audit committee recommendation to address the balance between the in-house staffing and the co-sourced firms will receive attention during the organisational review in the ensuing financial year. Despite the failure of the three tender processes as outlined in page 17 and 18, co-sourced service providers were appointed in November 2016 in accordance with Treasury Regulation 16A.6 to assist with implementing the approved plan.

Overall, the audit committee is satisfied with the improved internal audit performance compared to the prior financial year. The assistance received from the co-sourced capacity contributed to this.

Finance function

The finance function discharged its responsibilities satisfactorily, despite the absence of a permanent Chief Financial Officer (CFO). The DCEO: Corporate Services acted as the interim CFO until 7 July 2017 after the substantial completion of the 2016/17 external audit.

Quality of management reports

The audit committee welcomed the improvement in the content and quality of the quarterly financial and performance reports that were tabled and presented at the meetings.

In particular, the audit committee noted the tightening of cost containment measures and was satisfied that all reasonable steps are being taken to achieve these desired objectives.

Evaluation of audited annual financial statements

The audit committee has:

- a) reviewed and discussed with management the Management Report from the Auditor-General;
- b) reviewed the appropriateness of the accounting policies and practices;
- c) reviewed and discussed the adjustments to the financial statements arising from the audit;
- d) noted the schedule of audit differences arising from the audit; and
- e) reviewed and discussed with management the audited annual financial statements and recommended its approval by the accounting officer and the Executive Authority.

The audit committee concurs with and accepts the audit report of the Auditor-General.



Mr Y N Gordhan
Chairperson of the audit committee
31 July 2017

PART D

Human resource management



1. INTRODUCTION

At the beginning of the period under review, the Electoral Commission had a total staff complement of 1 033 posts, with 941 (91.09%) of posts filled and 92 (8.91%) vacant. By the end of the financial year, the total staff complement remained at 1 033, with 939 (90.9%) posts filled and 94 (9.1%) posts vacant. These numbers clearly indicate a decrease in the number of posts filled in the year under review, compared to the previous financial year. This was mainly as a result of the filling of some vacancies being placed on hold due to the Human Resources (HR) review process, which commenced in the fourth quarter.

Staff turnover was slightly higher in this financial year compared to the previous year, with the terminations emanating from resignations (12), dismissals (five) retirements (five), deaths (two) and ill-health (one). Among the 20 posts that were filled were those of Manager: Logistics, and Manager: Electoral Matters in the Free State.

A two-year wage agreement covering 2016/17 and 2017/18 was concluded in April of the year under review. After consultation with the essential services committee and legal advice obtained, the Electoral Commission embarked on a process of developing a Minimum Service Agreement.

A total of 28 disputes were referred to the Commission for Conciliation, Mediation and Arbitration (CCMA) by employees and the represented trade union. Nineteen (67.86%) of these cases were finalised and nine (32.14%) were still pending at the end of the period under review. In the nineteen cases that were finalised,

three (15.79%) were ruled in favour of the Electoral Commission, a settlement was reached in eight cases (42.11%) lodged by electoral staff, six cases (31.58%) were withdrawn by the relevant employees, and two cases (10.53%) were ruled in favour of the employee.

The employment equity (EE) report was compiled and submitted to the Department of Labour in January 2017.

Election training, which commenced in the last quarter of the previous year, was concluded in June 2016. The target group included voting station staff, area managers, political party agents and members of the security and safety sector. An elections guide was developed and distributed to members of the South African Police Service (SAPS), who were deployed at the voting stations.

Unlike in non-election years, the training and development of internal staff members did not take centre stage as the focus was mainly on ensuring that institutional excellence was strengthened in the area of election management.

Due to the preparations for 2016 Local Government Elections, only two staff members attended the Management of Democratic Elections in Africa (MDEA) programme offered by the University of South Africa (Unisa) in partnership with the Electoral Commission. In a bid to improve the standard of the MDEA programme, a team comprising representatives of Unisa and the Electoral Commission reviewed the MDEA study guides, training methodologies and assessment of learners.

2. HUMAN RESOURCES OVERSIGHT STATISTICS

2.1 EXPENDITURE ON REMUNERATION

During the period under review, the Electoral Commission implemented inflationary increases for all its employees in April 2016, which was in line with the Public Service agreement. A summary of expenditure on remuneration during the year under review is illustrated in the table below.

Table 24: 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	6 778	1%	4	1 695
Top Management	10 497	1%	5	2 099
Senior Management	61 733	8%	38	1 625
Middle Management	118 504	16%	129	919
Professionals	341 393	45%	645	529
Skilled	16 528	2%	55	301
Semi-skilled	169 713	22%	7 220	24
Very low-skilled	30 569	4%	3 585	9
Grand total	755 715	100%	11 681	7 201

Table 25: Employment and vacancies according to rank

Programme	2015/16 number of employees	2016/17 approved posts	2016/17 number of employees	2016/17 number of vacancies	Percentage of total vacancies
Top Management	4	4	4	0	0.0%
Senior Management	39	44	37	5	5.3%
Professional qualified	770	847	771	75	79.8%
Skilled	57	63	60	6	6.4%
Semi-skilled	18	20	17	2	2.1%
Unskilled	53	55	50	6	6.4%
Total	941	1 033	939	94	100%

Table 26: Employment and vacancies by structure

Division	Rank	Approved posts	Posts filled	Vacant posts
Office of the CEO	CEO	1	1	0
	Manager	2	1	1
	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	3	0
	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	1	1
	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	2	0
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
	Senior/Administrative Clerk	5	5	0
Messenger/Driver/Housekeeper	10	8	2	
Legal Services	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Administrative Officer	1	1	0

Division	Rank	Approved posts	Posts filled	Vacant posts
DCEO: Electoral Matters	DCEO	1	1	0
	Senior Administrative Officer	1	1	0
Logistics and Infrastructure	Senior Manager	1	1	0
	Manager	2	2	0
	Deputy Manager	2	1	1
	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	1	1
	Assistant Manager	1	0	1
	Senior Administrative Officer	1	1	0
	Administrative Officer	1	1	0
	Assistant Administrative Officer	1	1	0
Civic Education, Research and Knowledge Management	Senior Manager	1	1	0
	Manager	1	0	1
	Deputy Manager	2	2	0
	Assistant Manager	1	0	1
	Senior Administrative Officer	1	0	1
	Administrative Officer	1	0	1
	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	3	1
	Assistant Manager	12	12	0
	Senior Administrative Officer	26	25	1
	Administrative Officer	3	3	0
	Assistant Administrative Officer	2	1	1
	Messenger/Housekeeper/Driver	2	2	0

Division	Rank	Approved posts	Posts filled	Vacant posts
Provincial electoral staff: Free State	Senior Administrative Clerk	8	7	1
	Electoral Project Coordinator	87	83	4
	Cleaner	33	30	3
	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	9	8	1
	Senior Administrative Officer	12	10	2
	Administrative Officer	2	2	0
	Assistant Administrative Officer	1	1	0
	Messenger/Housekeeper	1	1	0
	Senior Administrative Clerk	5	3	2
	Electoral Project Coordinator	28	28	0
	Provincial electoral staff: Gauteng	Senior Manager	1	1
Manager		1	1	0
Deputy Manager		2	2	0
Assistant Manager		8	8	0
Senior Administrative Officer		15	14	1
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	4	1
Provincial electoral staff: KwaZulu-Natal		Senior Manager	1	1
	Manager	1	1	0
	Deputy Manager	2	2	0
	Assistant Manager	16	15	1
	Senior Administrative Officer	21	21	0
	Administrative Officer	3	3	0
	Assistant Administrative Officer	2	2	0
	Messenger/Housekeeper/Driver	1	1	0
	Senior Administrative Clerk	11	9	2
	Electoral Project Coordinator	92	90	2
	Provincial electoral staff: Limpopo	Senior Manager	1	1
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	59	1
	Senior Manager	1	1	0
	Manager	1	1	0
	Deputy Manager	1	1	0
	Assistant Manager	7	7	0
	Senior Administrative Officer	10	9	1
	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	37	2
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	29	2
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	8	1
	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	34	4
	Cleaner	16	15	1
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
	Cleaner	1	1	0
	Senior Administrative Clerk	6	5	1
Electoral Project Coordinator	38	35	3	
Total		1 033	939	94

2.2 EMPLOYMENT CHANGES

The turnover rate was approximately 2.34%, which was lower than the previous financial year's 3.19%. Most terminations were as a result of resignations with the same number of retirements and dismissals, and most were from staff at Administrative Officer level. The number of positions filled at the end of the year under review was slightly lower than that of the previous year.

As illustrated in the table below, the Electoral Commission appointed 20 new employees in the period under review, while there were 22 terminations as a result of resignations, dismissals, retirements, ill-health and death.

Table 27: 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	39	1	1	0	3	37
Professional qualified	770	16	11	0	15	771
Skilled	57	3	2	0	0	60
Semi-skilled	18	0	0	0	1	17
Unskilled	53	0	0	0	3	50
Total	941	20	14	0	22	939

Table 28: Reasons for staff leaving

Reason	Number	Percentage of total number of staff terminations
Death	2	9.0%
Resignation	9	41.0%
Dismissal	5	22.7%
Retirement	5	22.7%
Ill-health	1	4.6%
Expiry of contract	0	0.0%
Other	0	0.0%
Total	22	100%

Table 29: Staff movement according to rank

	Recruited	Promoted	Demoted	Termination
CEO	0	0	0	0
DCEO	0	0	0	0
Senior Manager/PEO	0	0	0	1
Manager	1	1	0	2
Deputy Manager	2	1	0	2
Assistant Manager	0	3	0	3
Senior Administrative Officer	3	0	0	1
Administrative Officer	9	7	0	9
Assistant Administrative Officer	2	2	0	0
Senior/Administrative Clerk	3	0	0	0
Messenger/Housekeeper/Driver	0	0	0	1
Cleaner	0	0	0	3
Total	20	14	0	22

Table 30: Staff resignations for 2014/15 to 2016/17

Year	Number of resignations	Percentage
2014/15	13	1.26%
2015/16	14	1.36%
2016/17	9	0.87%

Table 31: Wellness sessions held during the period under review

Year	Number of sessions
2014/15	9
2015/16	11
2016/17	5

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 32: Sick leave absenteeism for 2014/15 to 2016/17

Year	Total number of special sick leave days taken	Estimated cost	Number of employees who took 15 consecutive days
2014/15	3 757 days	R5 685 267.76	13
2015/16	3 152 days	R5 490 077.52	43
2016/17	3 992 days	R7 668 211.84	65

Table 33: Special sick leave absenteeism for 2014/15

Year	Total number of special sick leave days taken	Estimated cost	Number of employees who took special sick leave
2014/15	126 days	R213 238.00	4
2015/16	1 290 days	R2 531 098.56	20
2016/17	1 043 days	R1 807 518.16	16

Table 34: Average sick leave taken according to rank

Rank/level	Days
CEO	5.00
DCEO	4.33
Senior Manager	6.5
Manager	5.06
Deputy Manager	6.29
Assistant Manager	5.24
Senior Administrative Officer	7.59
Administrative Officer	7.43
Assistant Administrative Officer	8.25
Senior/Administrative Clerk	6.08
Messenger/Housekeeper/Driver	6.67
Cleaner	4.00

Table 35: Employee deaths during the period under review

Office	Name	Date of death
Gauteng	Ramokone Sono	8 August 2016
Eastern Cape	Khanyiswa Manyika	2 November 2016

Table 36: Average age of the deceased for 2014/15 to 2016/17

Year	Number of deaths	Average age of deceased
2014/15	4	55.55
2015/16	3	50.67
2016/17	2	50.50

2.3 LABOUR RELATIONS

Formal disciplinary action was taken against 21 employees for various acts of misconduct, which include, among others, contravention of financial directives, prejudicing the administration and/or misconduct. During the period under review, 12 cases were finalised, while nine formal cases are still pending finalisation.

Twenty-eight cases were referred to the CCMA by employees for various reasons. Four of those were from NEHAWU, as set out below. Three of the cases were found in favour of the Electoral Commission, two cases in favour of the employee, and eight cases were settled. Nine cases are pending finalisation and six cases were withdrawn.

Table 37: CCMA disputes

Nature of dispute	Number of employees
Sec 6 [EEA]: Prohibition of unfair discrimination – arbitrary	2
Sec 186(2)(a): Unfair conduct – promotion/demotion/probation/training/benefits	2
Sec 186(2)(b): Unfair suspension or disciplinary action	4
Sec 189: Dismissal related to operational requirements	1
Sec 191(1): Dismissal related to misconduct	6
Sec 191(5)(a)(iii): Reason for dismissal unknown	8
Sec 198 (d)(i): Interpretation of application of Sec 198 A	1
Sec 64(4): Unilateral changes to terms and conditions of service (Collective NEHAWU)	2
Sec 64(1) and 134 of the EEA: Matters of mutual interest (Collective NEHAWU)	2
Total	28

As illustrated in the table below, the trend of matters referred to the CCMA by employees against the Electoral Commission has been increasing in the past three years.

Table 38: Disputes referred to the CCMA for 2014/15 to 2016/17

Referred	Number of cases
2014/15	8
2015/16	15
2016/17	28

Table 39: Employment equity targets among male staff members 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	11	10	5	6	2	2	4	4
Professional qualified	308	55	26	7	10	3	10	4
Skilled	16	402	1	55	1	19	1	61
Semi-skilled	7	8	1	1	0	1	0	1
Unskilled	2	5	0	0	0	0	0	0
Total	346	482	33	69	13	25	15	70

Table 40: Employment equity targets among female staff members 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	11	13	1	1	2	1	3	4
Professional qualified	330	36	44	5	7	3	39	15
Skilled	30	364	5	49	1	12	0	45
Semi-skilled	9	9	0	4	0	1	0	1
Unskilled	46	50	2	1	0	0	0	0
Total	427	473	52	60	10	17	43	66

Table 41: 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	4	3	2	3	8	1	0	3
Deputy Manager	15	1	0	2	7	0	2	5
Assistant Manager	43	4	4	1	29	5	1	9
Senior Administrative Officer	58	2	3	3	64	5	2	8
Administrative Officer	191	18	3	4	211	32	2	16
Assistant Administrative Officer	1	1	0	0	19	2	0	1
Senior/ Administrative Clerk	16	1	1	1	30	5	1	0
Messenger/ Housekeeper Driver	7	1	0	0	9	0	0	0
Cleaner	2	0	0	0	46	2	0	0
Total	346	33	13	15	427	52	10	43

Table 42: Employment equity goals

Period	Male				Female			
	African	Coloured	Indian	White	African	Coloured	Indian	White
Numerical goals (until the end of November 2012)	348	52	17	60	305	53	10	47
Numerical goals (until the end of September 2018)	482	69	25	70	473	60	17	66

PART E

Annual Financial Statements



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Electoral Commission set out on pages ... to ..., which comprise the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets, cash flow statement and comparison of expenditure to budget for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Electoral Commission as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with South African Standard of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the constitutional institution in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

6. The accounting officer is responsible for the preparation and fair presentation of the financial

statements in accordance with SA Standards of GRAP and the requirements of the PFMA 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.

7. In preparing the financial statements, the accounting officer is responsible for assessing the Electoral Commission's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the constitutional institution or cease operations, or there is no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the constitutional institution. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the constitutional institution for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
Programme 2 – electoral operations	24–35
Programme 3 – outreach	35–44

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. The material findings in respect of the reliability of the selected programmes are as follows:

Programme 3 – outreach

Number of civic and democracy education events held per annum

15. The reported achievement for the target of 60 000 civic and democracy education events was misstated as the evidence provided supported 19 738 events determined based on the audit and not 48 449 events as reported.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programme:
- Programme 2 – electoral operations.

OTHER MATTER

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 35 to 36 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of

a number of targets. This information should be considered in the context of the material finding reported on the reliability of the reported performance information in paragraph 15 of this report.

REPORT ON AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the constitutional institution's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Expenditure management

21. Effective steps were not taken to prevent irregular expenditure amounting to R38 086 512 as disclosed in note 30 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. This is mainly due to non-compliance identified in the prior years which impacted the current year under review.

Procurement and contract management

22. Contracts were awarded to bidders based on functionality criteria that were not clearly stipulated in the original invitation for bidding, in contravention of preferential procurement regulation 4.

OTHER INFORMATION

23. The Electoral Commission's accounting officer is responsible for the other information. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the

other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INTERNAL CONTROL DEFICIENCIES

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. 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 compliance with legislation included in this report.

FINANCIAL AND PERFORMANCE MANAGEMENT

Compliance monitoring

27. Processes that were implemented did not adequately monitor compliance with legislation applicable to the Electoral Commission, which resulted in non-compliance being identified in the audit of procurement and contract management and compliance with other relevant legislation.

Proper record keeping

28. Internal controls 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 were inadequate and ineffective.

Information technology system controls

29. The Outreach Management System (OMS) was not configured in line with defined business processes, which led to the lack of segregation of duties where information regarding events

captured by certain officials did not require review and approval. The system recorded the event towards the achievement of affected indicator(s) irrespective of attachment of evidence to support the occurrence of the event.

OTHER REPORTS

30. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the constitutional institution's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

INVESTIGATIONS

31. 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.
32. Commissioners took a decision in July 2014 to approach the high court to set aside the Riverside Office Park lease agreement. This process had not been finalised at the date of issuing this report.

Auditor-General

Pretoria
31 July 2017



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the constitutional institution's compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements, as described in the auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the constitutional institution's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.

- conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Electoral Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause the constitutional institution to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

Electoral Commission
**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2017**

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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 2017

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 2017. This report and the annual financial statements comply with the requirements of the Public Finance Management Act, Act 1 of 1999 (PFMA), 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 elections 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 R1,657,901,000 for the year under review by way of parliamentary allocations, sponsorship income of R24,254,925 and sundry revenue of R16,697,781, comprising mainly of interest earned, bringing the Electoral Commission's total revenue to R1,698,853,706.

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 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 its website free of any charge:

- "Am I registered to vote?"
- "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 2017

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 year under review.

Irregular expenditure amounting to R38,086,512 was incurred in the financial year and is reflected in Note 30 of the annual financial statements. Of this, R36,923,643 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 R9,891 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 for establishing 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, where necessary, continued enhancements are 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 2017;
- Statement of Financial Performance for the year ended 31 March 2017;
- Statement of Changes in Net Assets for the year ended 31 March 2017;
- Cash Flow Statement for the financial year ended 31 March 2017;
- Comparison of actual and budgeted expenditure for the year ended 31 March 2017; and
- 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.

Going concern

The Electoral Commission is funded by National Treasury and funding is secured over a three-year cycle in terms of the medium-term economic framework (MTEF). Notwithstanding the fact that current liabilities exceed current assets, funds are secured to meet short- and medium-term needs. The financial statements have thus 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 60 to 109 have been approved by the accounting officer.



Phatudi Simon Mamabolo
Acting Chief Electoral Officer
Date: 31 July 2017

Electoral Commission

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	31 March 2017 R	31 March 2016 R
Assets			
Current assets		48,342,447	404,038,985
Cash and cash equivalents	3,4	14,078,042	341,001,580
Trade and other receivables from exchange transactions	3,5	22,352,490	17,647,929
Inventories	6	11,911,915	45,389,476
Non-current assets		294,179,033	319,650,867
Property, plant and equipment	7	197,705,422	224,315,830
Heritage assets	8	1,663,664	1,663,709
Intangible assets	9	94,809,947	93,671,328
Total assets		342,521,480	723,689,852
Liabilities			
Current liabilities		105,729,326	176,110,972
Trade and other payables from exchange transactions	3,11	102,690,693	176,110,972
Short-term portion of operating lease liability	12	1,315,124	-
Provisions	13	1,723,509	-
Non-current liabilities		41,219,393	40,503,467
Operating lease liability	3,12	41,219,393	40,503,467
Total liabilities		146,948,719	216,614,439
Net assets			
Accumulated surplus		195,572,761	507,075,413
Total liabilities and net assets		342,521,480	723,689,852

Electoral Commission

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2017

	Note	31 March 2017 R	31 March 2016 R
Revenue			
Revenue from non-exchange transactions	14	1,682,155,925	1,517,104,000
Parliamentary allocation		1,657,901,000	1,517,104,000
Sponsorship revenue		24,254,925	-
Revenue from exchange transactions	15	16,697,781	16,832,805
Political party registration fees		25,000	39,200
Investment revenue		16,292,438	16,579,747
Other operating revenue	15.1	380,343	213,858
Total revenue		1,698,853,706	1,533,936,805
Expenditure			
		(2,010,209,403)	(1,411,935,176)
Employee-related costs	16	(755,714,847)	(646,101,890)
Goods and services	17	(1,064,329,971)	(596,315,917)
Depreciation, amortisation and impairment	18	(67,990,846)	(59,092,628)
Audit fees	19	(7,246,252)	(6,028,891)
Lease rental costs	20	(91,463,313)	(79,229,815)
Finance costs	21	(9,951)	(23,330)
Debt impairment	22	(98,736)	(1,582,949)
Repairs and maintenance	23	(23,355,487)	(23,559,756)
Total expenditure		(2,010,209,403)	(1,411,935,176)
Deficit on disposal of assets	24	(146,956)	(3,338,621)
Deficit/surplus for the year		(311,502,653)	118,663,008

Electoral Commission

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2017

	R	
	Accumulated surplus	Total net assets
Balance at 1 April 2015	388,412,406	388,412,406
Deficit for the year	118,663,008	118,663,008
Balance at 1 April 2016	507,075,413	507,075,413
Surplus for the year	(311,502,653)	(311,502,653)
Balance at 31 March 2017	195,572,761	195,572,761

Electoral Commission

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Note	31 March 2017 R	31 March 2016 R
Cash flows from operating activities			
Cash receipts from customers		1,699,263,722	1,533,670,430
Parliamentary allocation received		1,657,901,000	1,517,104,000
Sponsorship revenue received		24,254,925	-
Investment revenue received		16,702,454	16,313,372
Receipts from sale of goods and services		405,343	253,058
Cash paid to suppliers and employees		(1,983,521,289)	(1,273,839,686)
Cash payments to employees		(752,705,240)	(620,946,169)
Interest payments		(9,951)	(23,330)
Cash payments to suppliers		(1,230,806,098)	(652,870,187)
Net cash flows from operating activities	25	(284,257,567)	259,830,744
Cash flows from investing activities			
Cash flows from investing activities		(42,665,971)	(76,297,773)
Purchase of property, plant and equipment	7	(23,262,182)	(42,451,457)
Purchase of intangible assets	9	(19,799,077)	(35,822,295)
Proceeds from sale of property, plant and equipment	10,24	395,288	1,975,979
Net increase in cash and cash equivalents		(326,923,538)	183,532,971
Cash and cash equivalents at the beginning of the year		341,001,580	157,468,609
Cash and cash equivalents at the end of the year	3,4	14,078,042	341,001,580

Electoral Commission

COMPARISON OF EXPENDITURE TO BUDGET FOR THE YEAR ENDED 31 MARCH 2017

	Note	31 March 2017	31 March 2017	31 March 2017
		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	1,675,901,000	1,682,155,925	6,254,925
Parliamentary allocation		1,657,901,000	1,657,901,000	-
Sponsorship revenue*		18,000,000	24,254,925	6,254,925
Revenue from exchange transactions	15	15,000,000	16,697,781	1,697,781
Political party registration fees			25,000	25,000
Investment revenue**		15,000,000	16,292,438	1,292,438
Other operating revenue	15.1		380,343	380,343
Total revenue		1,690,901,000	1,698,853,706	7,952,706
Expenditure		(2,017,900,000)	(2,010,209,403)	7,690,597
Employee-related costs***	16	(741,900,000)	(755,714,847)	(13,814,847)
Goods and services***	17, 19, 20, 21, 22, 23	(1,206,500,000)	(1,186,503,710)	19,996,290
Depreciation, amortisation and impairment	18	(69,500,000)	(67,990,846)	1,509,154
Total expenditure		(2,017,900,000)	(2,010,209,403)	7,690,597
Deficit on disposal of assets	24	-	(146,956)	(146,956)
Surplus/(deficit) for the year		(326,999,000)	(311,502,653)	15,496,347

* Sponsorship revenue included in the Statement of Annual Performance includes two sponsorships received in kind that were not budgeted for, totalling R6.2 million.

** Investment revenue was better than expected.

*** Employee-related costs were higher than anticipated due, in part, to the fact that a two-year wage agreement was reached with the represented trade union, effective 1 April 2016, and this impacted on the year-end accruals.

**** Goods and services expenditure was lower than budget as a result of measures put in place in the last quarter to curb spending as a result of pressures experienced in the early part of the year arising from the need to secure addresses or sufficient particularities of voters following the Constitutional Court judgment.

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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 restatements 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 34 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, no new GRAP Standards became effective or were adopted.

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

Electoral Commission

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2017

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.

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.

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2017

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.

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:

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<i>Class</i>	<i>Estimated useful life in years</i>
Pre-fabricated 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)	10 years
Cell phones	3 years
Appliances	5–10 years

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.

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2017

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 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 a heritage asset, 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

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2017

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.

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, 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.

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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.

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 in 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. 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.

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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 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 No. 86 of 1968, or any regulations made in terms of the Act; or
- 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

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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 that was not condoned by National Treasury or the relevant 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.

All irregular expenditure is investigated. In instances where fraud, corruption or criminal activities have been identified, the necessary disciplinary procedures are implemented and civil and criminal cases will be made as appropriate. In other instances, the controls are reviewed and improved where necessary, and training interventions are conducted.

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, and 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

Electoral Commission

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2017

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.

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 32: Service concession arrangement: Grantor
- GRAP 108: Statutory receivables
- GRAP 109: Accounting by Principals and Agents
- iGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

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, GRAP 109 or iGRAP 17.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	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	36,682	446,698
Cash and cash equivalents	4	14,078,042	341,001,580
Cash collateral provided: property rentals	5	12,634,488	11,060,550
Sundry receivables	5	1,696,462	1,314,928
		28,445,674	353,823,756

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

Financial liabilities recognised at amortised cost

Trade and other payables	11	102,690,693	176,110,972
		102,690,693	176,110,972

4. CASH AND CASH EQUIVALENTS

Cash on hand	216,914	181,895
Bank balances	7,740,153	70,784,126
Short-term notice deposits	6,120,975	270,035,559
	14,078,042	341,001,580

The notice deposits are carried at an effective floating interest rate that varied between 6.65% and 10.05% (2016: 5.30% and 6.13%).

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 FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

5. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

Accrued interest		36,682	446,698
		12,634,488	11,060,550
Cash collateral provided: property rentals		12,634,488	11,123,010
Less: Impairment allowance Sundry receivables		-	(62,460)
Prepayments	5.1	7,984,858	4,825,753
		1,696,462	1,314,928
Sundry receivables		2,380,845	3,190,676
Less: Impairment allowance		(684,383)	(1,875,748)
		22,352,490	17,647,929

Trade and other receivables past due but not impaired

At 31 March 2017, there were no debts that were past due, but not impaired (2016: none).

Trade and other receivables impaired

As of 31 March 2017, trade and other receivables of R684,383 (2016: R1,938,208) 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	92,049	1,531,946
31–120 days past due	8,874	21,833
120–365 days past due	105,220	218,484
More than 365 days past due	478,240	165,945
	684,383	1,938,208

Reconciliation of allowance for impairment of trade and other receivables

Opening balance	1,938,208	521,956
Provision for impairment	-	1,416,252
Unused amounts reversed	(1,253,825)	-
	684,383	1,938,208

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 FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	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
Software licences	7,880,833	1,044,340
Subscription and membership	104,025	1,658,559
	7,984,858	4,825,753

6. INVENTORIES

Consumable stores: Stationery	552,991	694,553
Promotional items	30,188	32,197
Electoral stock	11,328,736	44,662,726
	11,911,915	45,389,476

Electoral stock is stock that was acquired for registration weekends and for 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 2017			31 March 2016		
	Cost	Accumulated depreciation and impairment losses	Carrying amount	Cost	Accumulated depreciation and impairment losses	Carrying amount
Appliances	4,966,218	(3,523,511)	1,442,707	4,943,745	(3,100,715)	1,843,030
Cell phones	535	(511)	24	535	(501)	34
Computer equipment	151,346,296	(100,105,035)	51,241,261	145,352,743	(87,671,199)	57,681,544
Furniture and fittings	74,796,564	(30,394,029)	44,402,535	73,452,834	(25,764,577)	47,688,257
Leasehold improvements	4,285,590	(2,364,513)	1,921,077	4,002,613	(1,901,374)	2,101,239
Motor vehicles	64,476,600	(28,686,478)	35,790,122	65,420,670	(24,626,373)	40,794,297
Office equipment	52,695,606	(32,834,114)	19,861,492	41,518,477	(27,370,708)	14,147,769
Pre-fabricated buildings	14,598,242	(1,376,250)	13,221,992	11,403,173	(918,007)	10,485,166
Scanners	181,998,791	(152,174,579)	29,824,212	181,988,633	(132,414,139)	49,574,494
Total	549,164,442	(351,459,020)	197,705,422	528,083,423	(303,767,593)	224,315,830

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Reconciliation of property, plant and equipment – 31 March 2017

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Closing balance
Appliances	1,843,030	40,475	(3,907)	(416,421)	(20,470)	1,442,707
Cell phones	34	-	-	(10)	-	24
Computer equipment	57,681,544	6,388,218	(65,649)	(12,504,480)	(258,372)	51,241,261
Furniture and fittings	47,688,257	1,646,395	(20,538)	(4,776,935)	(134,644)	44,402,535
Leasehold improvements	2,101,239	296,036	(2,890)	(472,685)	(623)	1,921,077
Motor vehicles	40,794,297	196,296	(424,783)	(4,775,688)	-	35,790,122
Office equipment	14,147,769	11,489,536	(24,476)	(5,624,954)	(126,383)	19,861,492
Pre-fabricated buildings	10,485,166	3,195,068	-	(456,575)	(1,667)	13,221,992
Scanners	49,574,494	10,158	-	(19,760,440)	-	29,824,212
Total	224,315,830	23,262,182	(542,243)	(48,788,188)	(542,159)	197,705,422

There are no restrictions on title and disposal of property, plant and equipment. Property, plant and equipment is 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 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
Pre-fabricated 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

8. HERITAGE ASSETS

(All figures in rand)

	31 March 2017			31 March 2016		
	Cost	Accumulated impairment losses	Carrying amount	Cost	Accumulated impairment losses	Carrying amount
Artwork	1,667,237	(3,573)	1,663,664	1,667,237	(3,528)	1,663,709

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Reconciliation of heritage assets – 31 March 2017

	Opening balance	Additions	Disposals	Impairment loss	Closing balance
Artwork	1,663,709	-	-	(45)	1,663,664

Asset condition was taken account of when determining whether the asset should be impaired.

Reconciliation of heritage assets – 31 March 2016

	Opening balance	Additions	Disposals	Impairment loss	Closing balance
Artwork	1,663,710	-	-	(1)	1,663,709

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 2017			31 March 2016		
	Cost	Accumulated depreciation and impairment losses	Carrying amount	Cost	Accumulated depreciation and impairment losses	Carrying amount
Computer software	190,002,276	(95,192,329)	94,809,947	170,203,199	(76,531,871)	93,671,328

Reconciliation of intangible assets – 31 March 2017

	Opening balance	Additions	Disposals	Amortisation	Closing balance
Computer software	93,671,328	19,799,077	-	(18,660,458)	94,809,947

Reconciliation of intangible assets – 31 March 2016

	Opening balance	Additions	Assets brought into use	Amortisation	Closing balance
Computer software	71,585,507	35,822,295	(583,960)	(13,152,514)	93,671,328
	71,585,507	35,822,295	(583,960)	(13,152,514)	93,671,328

During the 2016/17 financial year, the Electoral Commission received sponsorship in kind in respect of a mobile application to the value of R3,206,388.

Intangible assets are not pledged as securities for liabilities.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

10. NON-CURRENT ASSETS HELD FOR SALE AND ASSETS OF DISPOSAL GROUPS

	31 March 2017		
	Cost	Accumulated depreciation	Carrying amount
Opening balance	7,086,261	(7,015,125)	71,136
Computer equipment	3,987,028	(3,744,541)	242,487
Office machines and equipment	1,685,782	(1,587,705)	98,077
Furniture and fittings	117,218	(80,538)	36,680
Appliances	95,897	(79,435)	16,462
Prefab buildings	4,630	(3,108)	1,522
Total	5,890,555	(5,495,327)	395,228
Less: Disposals	(868,784)	798,457	(70,327)
Increase in impairment allowance – non-current assets held for sale	-	(394,831)	(394,831)
	12,108,032	(12,106,826)	1,206

The assets listed above will be disposed of during the 2017/18 financial year.

2017: Electoral Commission donated furniture with a book value of R1,929 to third parties, mostly schools.

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 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

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 FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

11. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	27,179,094	79,320,199
Payroll payables	19,517,293	16,775,428
Leave pay accruals	52,612,670	54,068,437
Deposits received	2,767,700	72,000
EFTs not cleared for payment at year-end	613,936	25,874,908
	102,690,693	176,110,972

12. OPERATING LEASE LIABILITY

Operating lease straight lining

Due within 12 months	1,315,124	-
Due after 12 months	41,219,393	40,503,467
	42,534,517	40,503,467

Total minimum lease payments

Not later than one year	76,690,802	71,836,852
Later than one year and not later than five years	235,920,613	238,287,207
Later than five years	46,279,327	43,621,580
	358,890,742	353,745,639

The minimum lease payments reflected above relate to building lease commitments in respect of contracts that were in place and active as at 31 March 2017 only. Other contractual commitments, including new leases that were not active as at 31 March 2017, 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 213 (2016: 268) local offices and, during the 2016 Local Government Elections, the sourcing of 99 (2016: Nil) temporary warehouses to store election material. 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 73 (2016: 70) municipal electoral offices from various municipalities across the country at no cost.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

13. PROVISIONS

Reconciliation of provisions

	Opening balance	Paid during the year	Additional provisions made in the year	Closing balance
March 2017				
Long service	-	-	1,723,509	1,723,509
March 2016				
COIDA	187,772	(187,772)	-	-

A provision is made for employees who have reached 15 years of service. 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 2017	31 March 2016
	R	R

14. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Parliamentary allocation	1,657,901,000	1,517,104,000
Sponsorship revenue	24,254,925	-
	1,682,155,925	1,517,104,000

Sponsorship revenue reflected in the current period represented revenue received from sponsors for the results operations centres for the elections, and a mobile application.

15. REVENUE FROM EXCHANGE TRANSACTIONS

Political party registration fees		25,000	39,200
Investment revenue		16,292,438	16,579,747
Other operating revenue	15.1	380,343	213,858
		16,697,781	16,832,805

Investment revenue represents interest received on cash and cash equivalents.

15.1 Other operating revenue

Elections-related revenue		10,718	16,253
Commissions earned		30,894	38,422
SMS services		253,416	15,218
Other operating income		85,161	143,965
Exchange rate gain		154	-
		380,343	213,858

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

16. EMPLOYEE-RELATED COSTS

Wages and salaries	669,671,328	560,303,598
Remuneration allowances	437,836	396,295
Employer contributions to defined benefit plans	34,713,425	31,581,810
Employer contributions: other	41,547,478	30,480,017
Leave provision	5,462,345	19,772,998
Lump sums – retirement	3,616,001	3,008,184
Relocation costs	266,434	558,988
	755,714,847	646,101,890

17. GOODS AND SERVICES

Advertising	36,537,211	74,125,628
Bank charges	3,532,896	1,089,557
Catering	1,357,684	1,844,012
Communications and connectivity	66,483,624	43,180,871
Conferences and workshops	97,656,735	48,507,718
Consumables	29,547,252	11,457,719
Insurance	3,241,338	2,497,145
Inventory	48,375,260	18,467,364
Printing and stationery	80,115,787	29,113,703
Professional services	216,319,055	172,204,887
Property expenses – other	16,838,053	15,214,585
Property expenses – voting station rentals	27,561,889	13,965,383
Rentals equipment	20,260,960	5,322,499
Software licences	32,352,332	32,113,769
Storage and distribution costs	29,022,597	16,461,346
Study expenditure	1,786,934	1,367,865
Subscriptions and membership fees	1,242,362	829,041
Subsistence and travel		
Voting station staff	290,660,539	57,781,203
Other permanent and fixed term staff	30,785,781	18,562,980
Sundry expenditure	446,182	41,604
Travel expenses	30,205,501	32,167,038
	1,064,329,971	596,315,917

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

18. DEPRECIATION, AMORTISATION AND IMPAIRMENT

Amortisation	18,660,458	13,152,514
Depreciation	48,788,188	45,657,509
Increase in impairment allowance – heritage assets	45	1
Increase in impairment allowance – property, plant and equipment	542,155	282,604
	67,990,846	59,092,628

19. AUDIT FEES

Auditor-General	7,246,252	6,028,891
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20. LEASE RENTAL COSTS

Lease rental costs	91,463,313	79,229,815
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The lease rental cost is the smoothed cost of the rentals paid for national office, provincial and municipal offices and warehouses.

21. FINANCE COSTS

Interest paid on late payments to suppliers	9,891	19,753
Exchange loss	60	3,577
	9,951	23,330

22. DEBT IMPAIRMENT

Write-offs	486	166,700
Debt impairment	98,250	1,416,249
	98,736	1,582,949

23. REPAIRS AND MAINTENANCE

Appliances	9,091	1,060
Buildings	3,155,255	2,477,055
Computer equipment	2,778,011	1,317,897
Furniture and fittings	10,876	23,251
Motor vehicles	3,914,118	3,685,391
Office equipment	13,281,604	15,894,885
Voting stations	53,111	-
Security	153,421	160,217
	23,355,487	23,559,756

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

24. DEFICIT ON DISPOSAL OF ASSETS

Deficit on disposal of property, plant and equipment	(146,956)	(3,338,621)
	(146,956)	(3,338,621)

25. CASH GENERATED FROM OPERATIONS

(Deficit)/surplus for the year		(311,502,653)	118,663,008
Adjustments for:			
Depreciation, amortisation and impairment	18	67,990,846	59,092,628
Deficit on disposal of assets	24	146,956	3,338,621
Movements in operating lease liability and accruals		2,031,050	2,585,667
Movements in provisions		1,723,509	(187,772)
Changes in working capital:			
Decrease/(increase) in inventories		33,477,561	(37,532,258)
(Increase)/decrease in trade and other receivables from exchange transactions		(4,704,557)	10,706,671
(Increase)/decrease in trade and other payables from exchange transactions		(73,420,279)	103,164,179
		(284,257,567)	259,830,744

26. COMMITMENTS

Commitments for operational expenditure

Contracted		86,442,388	133,347,353
Approved but not contracted		7,902,553	43,577,296
Total commitments		94,344,941	176,924,649

Commitments disclosed take into consideration the escalation clauses as per the contractual agreements.

The operating lease commitments in respect of contracts on which payments had been made during the year have been disclosed in the operating lease liability note (Note 12). An additional R25,042,567 in respect of contracts that commence after year-end is included above.

Not later than one year		49,966,957	171,010,188
Later than one year and not later than five years		32,050,635	5,914,461
Later than five years		12,327,349	-
Total commitments		94,344,941	176,924,649

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

27. CONTINGENCIES

Legal claims	18,769,329	13,722,832
Staff claims	1,692,572	1,700,779
Total contingencies	20,461,901	15,423,611

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 the 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	Contractual cash flow	1-12 months	2-5 years	Later than 5 years
	R	R	R	R	R
2017					
Trade and other payables	102,690,693	102,690,693	102,690,693	-	-
2016					
Trade and other payables	176,110,972	176,110,972	176,110,972	-	-

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)	14,078,042	341,001,580
Trade and other receivables from exchange transactions	22,352,490	17,647,929
	36,430,532	358,649,509

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	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)	12,634,488	11,123,010
Accrued interest – major South African banks	36,682	446,698
Sundry receivables – staff and suppliers (Note 5)	2,380,839	3,190,676
Less: Impairment allowance	(684,383)	(1,938,208)
	14,367,626	12,822,176

Impairment losses

The ageing of trade receivables net of the allowance for credit losses at the reporting date was:

Not past due	14,367,626	12,822,176
Past due 0–30 days	-	-
Past due 31–120 days	-	-
Past due 121–365 days	-	-
Past due – more than a year	-	-
	14,367,626	12,822,176

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

An amount of R684,383 (2016: 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	1,657,901,000	1,517,104,000
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29. RELATED PARTIES

Key management compensation

	Salary	Short-term benefits	Heightened activity	Total 2017	Total 2016
Commissioners					
Chairperson	1,622,713	761,402	-	2,384,115	1,967,400
Vice-chairperson	1,329,476	761,402	-	2,090,878	2,115,493
Full-time Commissioner	1,329,476	761,402	-	2,090,878	2,115,493
Part-time Commissioner*	212,354	-	-	212,354	-
	4,494,019	2,284,206	-	6,778,225	6,198,386

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Commissioners do not qualify for membership of the Government Employees' Pension Fund (GEPF).

* Ms Janet Love was appointed as a part-time commissioner on 20 April 2016.

Commissioners are entitled to the benefits of a Director-General of a government department. Payment to Commissioners had included the 10% cash allowance benefit. It was determined during the course of the 2015 audit that this benefit should not have been paid and it was terminated in October 2015. 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, payments were, however, made net of taxation.

	Salary	Short-term benefits	Heightened activity	Total 2016	Total 2015
Executive management salaries					
Chief Electoral Officer*	1,906,620	477,794	264,691	2,649,105	2,738,597
DCEO: Outreach	1,636,496	239,713	226,174	2,102,383	2,044,461
DCEO: Electoral Operations*	1,541,839	227,042	213,298	1,982,179	1,899,772
DCEO: Corporate Services/Interim Chief Financial Officer	1,496,598	221,195	207,141	1,924,934	1,844,944
Chief Information Officer	1,428,211	212,358	197,833	1,838,402	1,762,084
	8,009,764	1,378,102	1,109,137	10,497,003	10,289,858
Total key management compensation	12,503,783	3,662,308	1,109,137	17,275,227	16,488,244

Note	31 March 2017	31 March 2016
	R	R

Related-party balances

Represented Political Parties Fund	885,721	994,691
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The balance is unsecured and has no fixed terms of repayment.

30. IRREGULAR EXPENDITURE

Opening balance	187,007,003	147,698,810
Add: Irregular expenditure incurred in the current year	38,086,512	37,715,464
Add: Irregular expenditure incurred in previous years identified in current year	-	1,592,729
	225,093,515	187,007,003

Irregular expenditure relates to non-compliance with the Treasury Regulations and the Preferential Procurement Policy Framework Act (PPPFA).

Irregular expenditure incurred

Failure to obtain a tax clearance certificate in prior years	-	98,835
Expenditure incurred in the current year under contracts entered into in prior years where tax clearance certificates were not obtained. Procedures have been implemented to prevent recurrence.		
Riverside Office Park – rentals	36,923,643	33,847,411

The Riverside Office Park transaction has been the subject of an investigation by the Public Protector and a forensic investigation

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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 has 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. 118,460 185,655

Payment of benefits

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 included in irregular expenditure, payments were, however, made net of taxation. - 255,847-

Tax clearance certificates not obtained in the current year

193,309 -

Expenditure incurred in the current year where tax clearance certificates were not obtained. Procedures have been implemented to prevent recurrence.

Failure to advertise for 21 days due to urgency

833,280 558,040

The AGSA did not accept the reasons documented for advertising a bid for less than 21 days. The contract was awarded in the prior year.

Other current year procurement non-compliance

17,820 1,482,055

Expenditure incurred in the current year where procurement processes were non-compliant. There is no loss to the Electoral Commission and consideration of the relevant processes to prevent recurrence, including disciplinary procedures where necessary, will be made.

Total incurred

38,086,512

37,715,464

Note	31 March 2017	31 March 2016
	R	R

Expenditure awaiting condonation

Riverside Office Park – rentals

2016/17 expenditure	36,923,643	-
2015/16 expenditure	33,847,411	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	10,746,992	10,435,223
10% Commissioners	1,796,569	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	9,299,173	8,448,073

Total

225,093,515

187,007,003

Application has, or will be, made to the relevant condoning authority for condonation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

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. Legal opinions were subsequently sought by both parties and differing legal opinions were obtained. As a consequence this matter is still under discussion between management and AGSA. The final accounting for the transactions will be determined once a resolution is reached. The total amounts paid accumulatively to date are R11,929,199 (2016: R8,313,198).

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 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.

31. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure	86,676	76,785
Made up as follows:		
Opening balance	76,785	56,572
Add: Fruitless and wasteful expenditure in the current year	9,891	20,213
Less: Amounts recovered	-	-
	86,676	76,785

Amounts are being investigated and will either be written off or transferred to debtors.

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

32. SEGMENT REPORTING

2017	National office	Eastern Cape	Free State	Gauteng	KwaZulu- Natal	Mpumalanga	Limpopo	Northern Cape	North-West	Western Cape	Total
Revenue											
Revenue from non-exchange transactions	1,657,901,000	-	-	-	-	-	-	-	-	-	1,657,901,000
Inter-segment transfers	(976,292,103)	176,471,258	72,010,476	115,852,460	184,281,043	80,155,462	114,491,088	64,885,288	79,091,650	89,053,379	-
Sponsorship income	21,206,388	-	-	-	3,048,537	-	-	-	-	-	24,254,925
Revenue from exchange transactions	16,697,781	-	-	-	-	-	-	-	-	-	16,697,781
Total segment revenue	719,513,066	176,471,258	72,010,476	115,852,460	187,329,580	80,155,462	114,491,088	64,885,288	79,091,650	89,053,379	1,698,853,706
Employee cost	(149,262,000)	(106,876,628)	(46,870,125)	(62,853,954)	(115,338,366)	(47,366,581)	(46,106,285)	(72,694,358)	(52,101,814)	(56,244,736)	(755,714,847)
Goods and services	(544,945,426)	(94,685,643)	(36,897,648)	(76,087,780)	(104,342,814)	(42,409,192)	(25,594,015)	(61,084,798)	(39,885,248)	(45,643,657)	(1,071,576,221)
Depreciation and amortisation	(52,393,474)	(2,263,465)	(1,199,998)	(1,669,792)	(2,914,417)	(1,235,440)	(1,827,184)	(1,668,710)	(1,331,929)	(1,486,439)	(67,990,848)
Debt impairment	(98,736)	-	-	-	-	-	-	-	-	-	(98,736)
Finance cost	(2,181)	(2,185)	(582)	(4,527)	(138)	-	-	(229)	(109)	-	(9,951)
Operating lease expense	(37,269,427)	(11,180,696)	(2,389,826)	(4,490,324)	(8,182,566)	(6,270,438)	(5,098,625)	(5,434,731)	(4,458,789)	(6,687,891)	(91,463,313)
Repairs and maintenance	(18,184,810)	(765,546)	(546,554)	(288,542)	(1,217,063)	(219,905)	(591,238)	(562,828)	(270,641)	(708,340)	(23,355,487)
Total segment expenses	(802,156,054)	(215,774,163)	(87,904,733)	(145,394,919)	(231,995,384)	(97,501,556)	(79,217,347)	(141,445,654)	(98,048,530)	(110,771,063)	(2,010,209,403)
(Deficit) on sale of assets	(2,297)	(50,453)	(4,066)	32,692	(104,872)	(7,391)	(8,156)	8,119	(3,317)	(7,215)	(146,956)
Surplus/(deficit) for the year	(82,645,285)	(39,353,358)	(15,898,323)	(29,509,767)	(44,770,676)	(17,353,485)	(35,265,585)	(76,552,247)	(18,960,197)	(21,724,900)	(311,502,653)

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2017	National office	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Mpumalanga	Limpopo	Northern Cape	North-West	Western Cape	Total
Assets											
Current assets	31,356,545	2,158,578	1,371,702	2,960,446	2,929,856	1,086,391	1,516,473	1,345,217	1,525,259	2,091,980	48,342,447
Trade and other receivables	18,273,973	594,875	198,792	483,371	713,450	378,107	176,775	357,821	229,831	945,495	22,352,490
Cash and cash equivalents	11,425,765	223,927	403,501	102,862	472,060	129,502	482,296	491,666	247,706	98,757	14,078,042
Inventories	1,656,807	1,339,776	769,409	2,374,213	1,744,346	578,782	857,402	495,730	1,047,722	1,047,728	11,911,915
Non-current assets	193,692,395	13,824,712	7,381,052	9,521,879	19,024,245	8,539,625	13,875,199	10,911,527	9,109,047	8,299,352	294,179,033
PPE	97,413,873	13,711,300	7,367,890	9,496,755	19,013,522	8,532,387	13,867,626	10,911,527	9,093,377	8,297,168	197,705,425
Heritage	1,468,575	113,412	13,162	25,124	10,723	7,238	7,573	-	15,670	2,184	1,663,661
Intangibles	94,809,947	-	-	-	-	-	-	-	-	-	94,809,947
Total assets	225,048,939	15,983,290	8,752,753	12,482,325	21,954,100	9,626,015	15,391,672	12,256,747	10,634,306	10,391,333	342,521,480
Liabilities											
Current liabilities	103,790,912	-251,538	113,357	257,875	1,614,927	112,272	(18,975)	205,238	550	(95,292)	105,729,326
Trade payables	98,891,810	212,955	113,389	269,342	2,035,034	232,764	320,928	284,123	71,711	258,637	102,690,693
Provision – long service	1,723,509	-	-	-	-	-	-	-	-	-	1,723,509
Current short-term portion of lease	3,175,593	(464,493)	(32)	(11,467)	(420,107)	(120,492)	(339,903)	(78,885)	(71,161)	(353,929)	1,315,124
Non-current liabilities	34,136,224	1,902,573	1,024	141,130	1,195,578	552,026	810,887	706,545	706,954	1,066,452	41,219,393
Operating lease liability	34,136,224	1,902,573	1,024	141,130	1,195,578	552,026	810,887	706,545	706,954	1,066,452	41,219,393
Total liabilities	137,927,136	1,651,035	114,381	399,005	2,810,505	664,298	791,912	911,783	707,504	971,161	146,948,719
Accumulated surplus	87,121,802	14,332,254	8,638,373	12,083,320	19,143,595	8,961,719	14,599,760	11,344,964	9,926,802	9,420,172	195,572,761
Total liabilities and net assets	225,048,939	15,983,289	8,752,754	12,482,325	21,954,100	9,626,017	15,391,672	12,256,747	10,634,306	10,391,332	342,521,480
Number of employees											
Permanent staff	136	170	56	76	145	63	94	57	75	70	942
Fixed-term staff	31	69	44	71	106	37	46	38	38	65	545
Number of offices	2	40	20	38	52	18	26	27	19	30	272

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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
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	202,415,944	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 FOR THE YEAR ENDED 31 MARCH 2017

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	404,038,985
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 FOR THE YEAR ENDED 31 MARCH 2017

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 an extension of the relevant useful lives of the assets listed below.

	Cost R	Accumulated depreciation R	Net book value R
Appliances			
Before useful life review	4,966,218	(3,567,792)	1,398,426
After useful life review	4,966,218	(3,523,511)	1,442,708
Difference due to change in estimate	-	(44,281)	44,281
Cell phones			
Before useful life review	535	(523)	12
After useful life review	535	(511)	24
Difference due to change in estimate	-	(12)	12
Computer equipment			
Before useful life review	151,346,296	(100,937,702)	50,408,594
After useful life review	151,346,296	(100,105,034)	51,241,261
Difference due to change in estimate	-	(832,668)	832,668
Furniture and fittings			
Before useful life review	74,796,564	(30,453,728)	44,342,836
After useful life review	74,796,564	(30,394,029)	44,402,535
Difference due to change in estimate	-	(59,700)	59,700
Leasehold improvements			
Before useful life review	4,285,590	(2,374,200)	1,910,389
After useful life review	4,285,590	(2,364,513)	1,921,076
Difference due to change in estimate	-	(10,688)	10,688
Motor vehicles			
Before useful life review	64,476,600	(29,695,360)	34,781,240
After useful life review	64,476,600	(28,686,478)	35,790,122
Difference due to change in estimate	-	(1,008,882)	1,008,882
Office equipment			
Before useful life review	52,695,606	(33,279,439)	19,416,167
After useful life review	52,695,606	(32,834,114)	19,861,492
Difference due to change in estimate	-	(445,325)	445,325

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Pre-fabricated buildings

Before useful life review	14,598,241	(1,380,213)	13,218,028
After useful life review	14,598,241	(1,376,249)	13,221,992
Difference due to change in estimate	-	(3,964)	3,964

Scanners

Before useful life review	181,998,791	(152,174,579)	29,824,211
After useful life review	181,998,791	(152,174,579)	29,824,211
Difference due to change in estimate	-	-	-

Total	-	(2,405,519)	2,405,519
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Total 2016	-	(4,358,641)	4,358,641
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	Cost R	Accumulated depreciation R	Net book value R
Useful life review – intangibles			
Software			
Before useful life review	190,002,275	(96,049,519)	93,952,757
After useful life review	190,002,275	(95,192,328)	94,809,947
Difference due to change in estimate	-	(857,190)	857,190
Total 2016	-	(225,068)	225,068

Electoral Commission

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Note	31 March 2017	31 March 2016
	R	R

34. RECONCILIATION BETWEEN BUDGET AND STATEMENT OF FINANCIAL PERFORMANCE

Net surplus (deficit) as per Statement of Financial Performance	(311,502,653)	118,663,008
Adjusted for:	(7,946,706)	(1,832,805)
Under/(over)-collection of income as per budget	(7,946,706)	(1,832,805)
Expenses not budgeted	70,545,281	81,505,026
Depreciation	48,788,188	45,657,509
Amortisation	18,660,458	13,152,514
Asset impairment	542,200	282,606
Deficit on sale of assets	146,956	3,338,621
Debt impairment	98,736	1,582,949
Interest paid	9,891	19,753
Lease equalisation	2,031,050	2,585,667
Increases/(decreases) in provisions	1,723,509	-
(Decrease)/increase in leave pay accrual	(1,455,767)	14,881,830
Exchange rate (gain)/loss	60	3,577
Over/(under)-spending compared to operational budget (including rollover and capital)	11,984,285	53,667,187
Net surplus/(deficit) as per approved operational budget (including rollover and capital)	(236,919,793)	252,002,416

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	31 March 2017	31 March 2016
	R	R
Income	1,698,853,706	1,533,936,805
Parliamentary allocation	1,657,901,000	1,517,104,000
Political party registration fees	25,000	39,200
Interest received	16,292,438	16,579,747
Sponsorship income	24,254,925	-
Other	380,343	231,858
Expenditure	2,010,209,403	1,411,935,176
Personnel expenditure	755,714,847	646,101,890
Salaries	618,507,729	520,546,749
- Permanent staff	466,913,003	402,090,551
- Temporary staff	143,646,723	111,955,806
- Voter education fieldworkers	42,881,484	41,788,515
- Election support	44,588,884	22,689,867
- By-elections	1,570,476	3,471,024
- Registration	578,470	3,043,489
- Expansion staff	54,027,409	40,962,911
- MEO agents	7,948,003	6,500,392
Remunerative allowances – permanent staff	437,836	396,295
Leave pay provision	5,462,345	19,772,998
Lump sums – retirement	3,616,001	3,008,184
Medical aid contributions	37,704,827	28,023,397
Housing benefits and allowances	13,458,772	11,733,453
Employer's contributions	76,260,903	19,772,998
Deployment costs	-	-
Relocation cost	266,434	558,988

	31 March 2017	31 March 2016
	R	R
Administrative expenditure	1,155,793,284	675,545,732
Electoral staff subsistence	290,660,539	57,781,203
Travel expenditure	30,205,501	32,167,038
Air transport	4,432,317	8,498,692
Hotel expenditure	9,817,700	8,797,727
Vehicle rental	6,164,068	3,540,277
Fuel	7,921,716	8,761,969
Other	1,869,700	2,568,373
Subsistence and travel	30,785,781	18,562,980
Communications and connectivity	66,483,624	43,180,871
Storage and distribution costs	29,022,597	16,461,346
Study expenditure	1,786,934	1,367,865
Subscriptions and membership fees	1,242,362	829,041
Advertising	36,537,211	74,125,628
Catering/entertainment expenses	1,357,684	1,844,012
- Democracy Development and Voter Education	225,250	28,546
- Other – Corporate Services	305,853	562,309
- Logistics and Electoral Matters	826,581	1,253,157
Insurance	3,241,338	2,497,145
Conferences and workshops	97,656,735	48,507,718
- Democracy Development and Voter Education	9,501,416	13,575,009
- Other – Corporate Services	34,977,970	28,363,164
- Logistics and Electoral Matters	53,177,349	6,569,545
Consumables	29,547,252	11,457,719
Inventory	48,375,260	18,467,364
Printing and stationery	80,115,787	29,113,703
Software licences	32,352,332	32,113,769
Rented equipment	20,260,960	5,322,499
Rental – land and buildings	135,863,255	108,409,783
Building rentals	91,463,313	79,229,815
Rates and taxes	16,838,053	15,214,585
Voting station rentals	27,561,889	13,965,383
Professional and other services	216,319,055	172,204,887
Bank charges	3,532,896	1,089,557
Sundry expenditure	446,182	41,604
Depreciation and impairment	67,990,846	59,092,628
Audit costs	7,246,252	6,028,891
Finance cost	9,951	23,330
Debt impairment	98,736	1,582,949
Maintenance and repairs	23,355,487	23,559,756
Total expenditure	2,010,209,403	1,411,935,176
Deficit on disposal/scraping of assets	146,956	3,338,621
(Deficit)/surplus for the year	(311,502,653)	118,663,008

UNAUDITED DETAILED INCOME AND EXPENDITURE STATEMENT BY DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2017

Relevant Strategic Objective	Total expenditure	Personnel expenditure	Administrative expenditure	Consumables	Equipment	Land and building rentals	Professional and other services
Internal audit	11,301,767	4,200,362	118,407	51,446	-	-	6,931,551
Chief Electoral Officer	3,912,404	3,709,179	161,476	24,831	-	-	16,918
Commission Services	14,552,403	10,558,420	2,932,300	487,166	-	509,555	64,960
Total for Chief Electoral Office	29,766,574	18,467,961	3,212,184	563,444	-	509,555	7,013,429
DCEO	2,724,290	2,681,445	26,984	15,861	-	-	-
Legal Services	25,004,423	4,457,259	1,138,386	693,591	-	-	18,715,187
Budget and Party Funding, Compliance Verification	4,771,274	4,635,887	46,086	89,301	-	-	-
Financial Services	149,669,299	9,634,706	108,627	150,356	136,176,375	-	3,599,236
Financial Management	8,137,567	-	(803)	-	-	-	8,138,370
Procurement and Asset Management	11,499,272	10,760,270	313,218	170,220	-	-	255,564
Human Resources	465,079,487	133,324,833	322,887,647	152,056	4,005	-	8,710,946
HR, Skills Development and Training, Support Services	1,754,760	1,743,218	11,542	-	-	-	-
Skills Development and Training	45,856,853	5,152,621	31,511,407	8,777,514	-	-	415,311
Support Services	76,524,424	9,139,367	10,641,211	566,637	(10,085,602)	44,881,872	21,380,939
Business Enterprise Systems	72,579,701	8,213,293	1,678	54,354	-	-	64,310,376
Information and Communication Technology	9,359,542	1,962,061	59,271	926	1,704,714	-	5,632,571
IT Operations Services	110,096,287	2,648,885	2,092,894	145,854	2,077,426	-	103,131,227
Total for Corporate Services	983,057,180	194,353,846	368,838,146	10,816,670	129,876,918	44,881,872	234,289,727
Total for national office: Administration	1,012,823,754	212,821,807	372,050,330	11,380,114	129,876,918	45,391,427	241,303,156
DCEO: Electoral Operations	4,452,607	2,533,327	1,836,108	3,171	-	-	80,000
Delimitation, Voting, Counting, Results and By-elections	67,165,672	6,381,048	51,204,991	739,668	-	182,255	8,657,710
Electoral Matters	2,136,678	2,086,648	43,078	6,953	-	-	-
Candidate Nomination, Party Liaison, Voters' Roll and Registration	32,017,625	8,842,317	5,667,977	17,152,000	11,177	25,100	319,055
Infrastructure, Courier Services	105,162,758	10,307,596	26,406,734	5,875,403	-	54,207,612	8,365,414
Logistics and Infrastructure	3,809,792	3,755,315	18,067	36,410	-	-	-
Logistics	161,614,759	10,902,050	33,827,488	107,972,650	(27,180,279)	18,401,080	17,691,769
Total for Electoral Operations	376,359,891	44,808,300	119,004,443	131,786,255	(27,169,103)	72,816,047	35,113,949

Electoral Commission

Appendix B

UNAUDITED DETAILED INCOME AND EXPENDITURE STATEMENT BY DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2017

Civic Education and EDDE	70,739,886	57,607,649	9,071,289	127,145	-	-	3,933,803
Civic Education, Research and Knowledge Management	1,039,449	1,020,893	18,056	500	-	-	-
Research, Library, Knowledge Management	10,128,880	3,200,959	379,731	2,898,242	-	-	3,649,948
Communication	68,694,454	5,604,303	37,948,087	10,203,197	-	-	14,938,867
DCEO: Outreach	2,765,826	2,767,953	(14,567)	12,440	-	-	-
Total for Outreach	153,368,495	70,201,758	47,402,597	13,241,523	-	-	22,522,618
Total for national office: Operations	529,728,387	115,010,058	166,407,040	145,027,778	(27,169,103)	72,816,047	57,636,567
Total for national office	1,542,552,140	327,831,865	538,457,370	156,407,892	102,707,816	118,207,474	298,939,723
Eastern Cape	84,230,172	79,124,294	2,126,731	214,105	-	2,015,721	749,320
Free State	35,524,110	31,953,142	1,355,074	175,312	-	1,660,439	380,143
Gauteng	44,888,281	41,443,643	837,026	214,156	-	2,142,477	250,978
KwaZulu-Natal	84,631,173	79,149,311	3,348,501	182,527	-	1,083,314	867,521
Mpumalanga	39,956,748	34,654,040	1,049,666	144,871	69,710	3,689,341	349,119
Northern Cape	39,349,366	34,082,908	2,505,178	205,662	58,147	2,076,975	420,495
Limpopo	56,392,293	52,265,449	1,684,245	152,045	-	1,845,236	445,317
North-West	39,680,872	36,806,949	882,065	189,001	33,220	1,293,430	476,209
Western Cape	43,151,206	38,403,246	1,859,266	152,732	-	2,372,450	363,512
Total for regional offices	467,804,219	427,882,982	15,647,751	1,630,411	161,077	18,179,383	4,302,614
Departmental Expenditure	2,010,356,359	755,714,847	554,105,121	158,038,304	102,868,893	136,386,857	303,242,337
Total income	1,698,853,706						
Deficit for the year	(311,502,653)						
Unutilised surplus at 31 March 2016	507,075,414						
Unutilised surplus at 31 March 2017	195,572,761						



SOUTH AFRICA

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