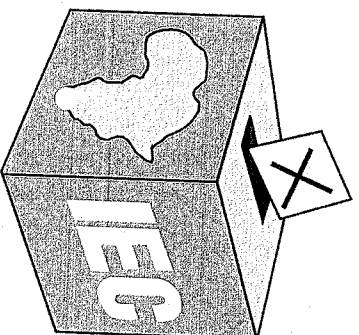



ELECTORAL COMMISSION
OF
SOUTH AFRICA



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

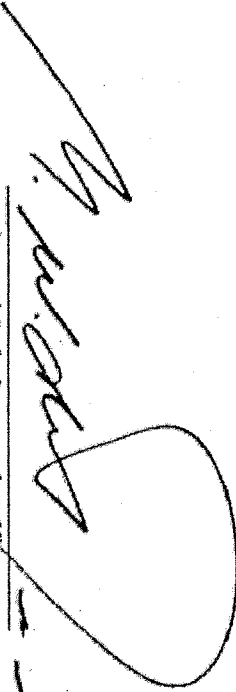
THE MINISTER FOR HOME AFFAIRS

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



Chairperson

Date: 2001/05/07



Acting Chief Electoral Officer

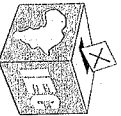
Date: 2001/05/02

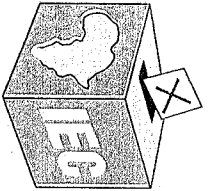
ELECTORAL COMMISSION

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

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COMMISSION
REPORT

COMMISSION REPORT
for the year ended 31 March 1999

1. Nature of the Report

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

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

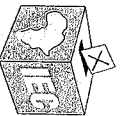
2. Functions, Activities and Affairs

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

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

3. Monies received from other sources

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



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

4. Audited Financial Statements on Income and Expenditure

The following audited financial statements accompany this report:

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

5. Auditor-Generals Report

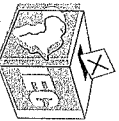
5.1 The Auditor-Generals Report on the Financial Statements is also attached.

5.2 The Commission expresses its appreciation to the Auditor-General for the thorough and fair manner in which the audit was done and reported on.

5.3 By way of explanation, the following comments are submitted in respect of some paragraphs in the Auditor-General's report.

5.3.1 **Ad paragraph 2.2.1 and 2.2.2**

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



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

5.3.2 Ad paragraph 3.1

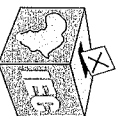
The suspected irregular transactions were discovered and reported to the Auditor-General by the Commission. In three cases civil and criminal proceedings have since been instituted. Criminal investigations have been instituted in other cases.

5.3.3 Ad paragraph 3.3

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

6. Overview of Funds Received and Spent

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

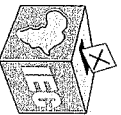


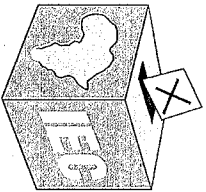
COMMISSION REPORT (continued)
for the year ended 31 March 1999

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

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

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





REPORT OF THE
AUDITOR - GENERAL



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

1. AUDIT ASSIGNMENT

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

2. REGULARITY/AUDIT

2.1 NATURE AND SCOPE

2.1.1 Financial audit

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

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

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

2.1.2 Compliance audit

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

