

Statistics South Africa



Annual report

2000/01

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2001

Pali Lehohla
Statistician-General

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Part 1

General information

Submission of the annual report to the executive authority

Mr T Manuel
Minister of Finance

I have the honour to submit the annual report of Statistics South Africa (Stats SA) for the period 1 January 2000 to 31 March 2001.



PJ Lehohla
Statistician-General

Mr Pali Lehohla
Statistician-General



Statistician-General's overview

In November 2000, I was appointed to lead Statistics South Africa as the country's first Statistician-General. I am grateful to the authorities of the land for entrusting me with this daunting task. To Stats SA colleagues, I thank you for welcoming me and demonstrating your support for the vision I have set out.

My predecessor, Dr Mark Orkin, left the organisation in August 2000. Dr Ros Hirschowitz filled his shoes until I was appointed. Credit for leading many of the achievements reflected in this report should go to them. Despite the period under review being one of extended transition, significant gains were made in improving the quality of Stats SA's outputs, thus providing a firm foundation for the implementation of new strategic priorities.



Bidding Dr Orkin farewell
 from left to right:
 Minister Trevor Manuel,
 Dr Mark Orkin,
 Deputy Minister Mandisi Mphahla,
 Mr Pali Lehohla

Key achievements for the period under review

The project for integrating the business registers of the South African Revenue Service, the Department of Trade and Industry, the Department of Labour and Stats SA made substantial progress towards completion, thus creating a new sampling frame for collecting economic statistics. This integrated register will ensure that the samples used in business surveys are up to date and should yield more accurate statistics. It is expected that the new frame will be fully operational by the end of 2001.

As part of the build-up for Census 2001, Stats SA updated the geographic information system that was created for Census '96 and subsequently for the Independent Electoral Commission and the Demarcation Board. The GIS serves as a basis for household surveys and is expected to interface with business surveys in the near future.

A labour force survey, which measures employment and labour market trends, was introduced with a pilot of 10 000 households in February 2000, and has been fully implemented with a rotating panel sample of 30 000 households every six months. The third round of the survey, conducted in March 2001, included a component that will enable Stats SA to measure the extent of the informal sector and non-VAT-registered businesses.

In a collaborative venture with the World Bank, Stats SA pioneered the use of new methodologies for measuring and mapping poverty. This was done by applying the results from the income and expenditure survey of 1995, on the one hand, and those of Census '96 on the other. Stats SA subsequently published a highly informative and popular report, which contains poverty maps for sub-provincial regions.

The income and expenditure of households survey collects information on where and what people spend their money on. The results of this survey are used to reweight the basket of goods for purposes of compiling the Consumer Price Index (CPI).

The first South African time use survey was conducted, which shows how women and men under different living conditions

spend their time, and which economic and non-economic activities they are engaged in.

Transforming Stats SA

Following concerns from staff about the slow pace of organisational transformation in Stats SA, a cross-functional team including trade union representation was established to drive the process of organisational development. This team, known as ODeTT (Organisational Development Task Team) participated with management in a lekgotla which developed an Agenda for Change in Stats SA. ODeTT was tasked with fleshing out the Agenda for Change, while management's responsibility is to ensure that this agenda is implemented.

One of ODeTT's core responsibilities has been to devise a new organisational structure for Stats SA. The structure should facilitate the implementation and achievement of the organisation's key strategic priorities. These priorities are developing a national statistics system (NSS), which will promote evidence-based policy making, and enhancing the quality of official statistics through the empowerment of people.



Stats SA management team

Standing from left to right:

Alfred Ngwane, Thea Nel, Alfonso Fano, Patrick Kelly, Patrick Naidoo, Joe de Beer, Pieter Gildenhuys, Glenn Moss, Motale Phirwa, Pieter Bossert, Gösta Guteland (Stats Sweden)

Seated from left to right:

Jules di Somma, Calvin Molongoana, Ros Hirschowitz, Pali Lehohla, Annette Myburgh, Akiiki Kahimbaara, Xoli Kunene

Absent:

Jairo Arrow, Des Booyesen, Sol Morathi, Eric Udjo

National statistics system

The conception of the national statistics system (NSS) is an organised response to the growing need for integrated information for planning programmes, monitoring progress and evaluating performance of mainly government initiatives. The purpose of the NSS is to enhance the capacity of the state to formulate and evaluate policy decisions by providing appropriate data. This will be achieved through the creation of an integrated network of state institutions to focus on improving the quality of statistics, enhancing the comparability of statistics and minimising unnecessary overlaps or duplication in the collection or publication of statistics among organs of state. The system will facilitate

collaboration regarding specific series of statistics, and the formulation and application of appropriate quality criteria and standards, classifications and procedures.

More specifically, the NSS comprises three dimensions of activity. These are:

- statistical production, with activities such as needs analysis, policy analysis, interdepartmental workshops, and setting of quality standards;
- training for statistical literacy, with activities such as a statistical literacy audit in government, training courses, scholarships for academic study, and workshops; and
- communication of statistical information, including establishment of dissemination standards, press conferences, education of journalists, and input into the State of the Nation, Budget and other key political policy addresses.

The statistics system should contain the following components:

- an institutional framework that is defined and guided by the regulatory environment, for example the priorities of government and how different departments are involved in each priority;
- a spatial or geographic dimension which locates the beneficiaries of service delivery in specific parts of the country;

- a body of data and information that is relevant, accurate and timely; and
- a temporal dimension to facilitate comparisons over time and the development of time series.

Quality through people

The second major strategic thrust for Stats SA over the next five years can be summarised as 'Quality through people'. This comprises several dimensions.

Quality and methodology enhancement: The development and application of high quality standards, classifications and methods within both Stats SA and government as a whole is the central pillar of the quality drive.

Optimising the value of technology: Quality statistics depend on the effective use of technology and data systems such as data warehousing, geographic information systems, registers, and the internet to ensure consistency, accuracy, accessibility and added value.

Stakeholder relations: Quality is ultimately assessed by the extent to which a product or service meets the requirements of users and other stakeholders. Government is Stats SA's primary client and statistics must be geared to meet the

increasing needs of the executive to measure the outcomes and impact of departmental and cross-sectional development programmes.

Empowerment: Quality is only sustainable through the training and empowerment of people. Several academic and practical training programmes have been put in place to ensure that staff have the necessary capacity to produce, analyse, and communicate quality statistics. Training accompanies an affirmative action programme that will ensure representivity at all levels of the organisation.



Pali J Lehoula

Mission statement

The mission of Stats SA is to inform socio-economic development with accessible quality information through better statistics, better access to information and better management.

Legislative mandate

In the Statistics Act (6 of 1999), the role of Stats SA is defined as providing statistical information to organs of state, businesses, other organisations and the general public for planning, decision-making, monitoring and assessment of policies.

Further, Stats SA is to:

- promote co-ordination among statistical producers in South Africa in order to advance the quality, consistency, comparability and optimum use of official statistics and to avoid unnecessary duplication;
- provide statistical advice to government departments; and
- liaise with the statistical agencies of other countries.

Part 2

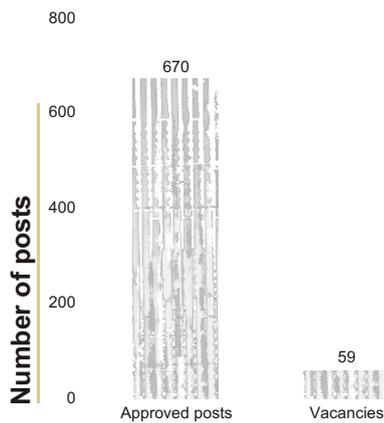
Human resources management

Organisation

Employment numbers, vacancies and staff additional to establishment (excluding census contract posts)

Description	Total	Executive management		Economic statistics	Research & development	Corporate services
		Demography				
Approved posts	670	13	198	244	74	141
Vacancies	59	5	7	24	11	12
Number of staff appointed against approved posts	611	8	191	220	63	129
Persons additional to the establishment:						
- Contract posts (funded by external organisations)	14			10	4	
- Contract posts (funded by Stats SA commercial activities)	4				4	
- Contract posts (funded by Stats SA surveys and censuses)	25		3			22
Total number of persons employed	654	8	194	230	71	151

Approved posts and vacancies



Newly appointed Statistician-General Pali Lehohla is welcomed to the Annual Staff Meeting

Statistician-General: Stats SA



Statistics South Africa

Chief Directorate Corporate Services

Directorate Information Systems Development

- Subdirectorates
 - End User Systems
 - Information Technology (Head Office)
 - Information Technology (Provincial Offices)

Directorate Finance and Provisioning Administration

- Subdirectorates
 - Financial Planning and Accounting Services
 - Provisioning Administration

Directorate Human Resources

- Subdirectorates
 - Human Resource Development
 - Recruitment, Administration and Customer Services
 - Labour Relations
 - Organisation and Job Design
 - Legal Services

Directorate Strategy and Planning

- Subdirectorates
 - Planning and Special Projects
 - International Programmes
 - Communication

Directorate Internal Audit

Job evaluation

The number of posts evaluated, upgraded and downgraded, by code of remuneration, occupation and grade

Code of Remuneration	Occupation	Grade	Posts evaluated	Posts up-graded	Posts down-graded	New posts
Management	ASD: Internal Audit	9	1	0	0	1
Management	Project manager: Household Surveys	13	1	0	0	1
Management	Director: Household Survey Development	13	1	0	0	1
Information and technology & support personnel	IT: Trainer	8	4	0	0	0

No employees were promoted as a result of posts that were upgraded.

There were no employees whose remuneration exceeds the grade determined by job evaluation.

Remuneration

Percentage of budget spent on personnel, administration, inventory and professional and special services

Total budget (R)	Personnel	%	Admin	%	Inventory	%	Professional and special services	%
281 395 000	80 024 426	28,44%	33 748 176	11,99%	10 722 757	3,81%	34 426 581	12,23%

Percentage of personnel costs spent on senior management

Total personnel exp (R)	Senior management personnel exp	%
80 024 426	8 817 640	11%

Number of personnel in each salary bracket by code of remuneration, race and gender (including census contract posts)

Code of Remuneration	Salary bracket (R per annum)	African			Coloured			Indian			White			Grand Total
		F	M	Total	F	M	Total	F	M	Total	F	M	Total	
Administrative line function and support personnel	20 000 - 40 000	37	28	65	4	1	5	2		2	8		8	80
	40 000 - 60 000	30	69	99	1	4	5	1		1	71	8	79	184
	60 000 - 80 000	17	22	39	2	1	3		1	1	5	5	10	53
	80 000 - 100 000	9	21	30		1	1	3		3	20	9	29	63
	100 000 - 120 000		1	1										1
	120 000 - 140 000	2	8	10				1		1	1		1	12
160 000 - 200 000	3	1	4				1		1		1	1	6	
Artisan and support personnel	20 000 - 40 000	1	3	4										4
Cleaner	20 000 - 40 000	2		2										2
Communication and information related personnel	20 000 - 40 000	1		1										1
	40 000 - 60 000	2		2										2
	60 000 - 80 000		4	4							1		1	5
	80 000 - 100 000	1	2	3										3
	100 000 - 120 000	1		1										1
	160 000 - 200 000	1		1	1		1				1		1	3
340 000 - 380 000		1	1										1	
Economic advisory and support personnel	20 000 - 40 000	11	3	14										14
	40 000 - 60 000	5	6	11							4		4	15
	60 000 - 80 000	9	15	24					1	1	7	2	9	34
	80 000 - 100 000	3	18	21		2	2	2		2	9	1	10	35
	100 000 - 120 000	5	2	7				1		1	4	1	5	13
	120 000 - 140 000	4		4							7	3	10	14
	140 000 - 160 000		5	5	1		1	1		1	4	1	5	12
	160 000 - 200 000	5	5	10					1	1	4	5	9	20
	200 000 - 220 000											1	1	1
	340 000 - 380 000		1	1		1	1		1	1	1	1	2	5
Engineering related and support personnel	40 000 - 60 000							1		1				1
	60 000 - 80 000										1		1	1
	80 000 - 100 000											1	1	1
General foreman	20 000 - 40 000		1	1										1
Health associated sciences and support personnel	20 000 - 40 000	6		6							1		1	7
Human resource and support personnel	20 000 - 40 000	1	1	2	1		1							3
	40 000 - 60 000	2	2	4							2		2	6
	60 000 - 80 000	1		1										1
	80 000 - 100 000	9	8	17	1	1	2	2		2	2	1	3	24
	100 000 - 120 000											1	1	1
	120 000 - 140 000	1		1							2	2	4	5
160 000 - 200 000											2	2	2	
Information technology and related personnel	20 000 - 40 000		3	3				1		1		1	1	5
	40 000 - 60 000	7	8	15		1	1	2	3	5	5	3	8	29
	60 000 - 80 000		1	1					1	1	2	2	4	6
	80 000 - 100 000	2	1	3							2	7	9	12
	100 000 - 120 000		1	1							1	1	2	3
	120 000 - 140 000											1	1	1
160 000 - 200 000							1	1	1	2	1	3	4	
Management and general support personnel	20 000 - 40 000	11	31	42		2	2				3	1	4	48
	40 000 - 60 000	17	10	27	1	1	2				14	2	16	45
	60 000 - 80 000	10	9	19				1	1	2	7	2	9	30
	80 000 - 100 000	3	12	15		1	1		1	1	3	2	5	22
	120 000 - 140 000		2	2							2		2	4
	140 000 - 160 000										2		2	2
	160 000 - 200 000		1	1								2	2	3
	200 000 - 220 000		1	1										1
	340 000 - 380 000	1	3	4							1	2	3	7
	400 000 - 450 000										2	1	3	3
	650 000		1	1										1
Occasional employee	20 000 - 40 000		3	3										3
Provisioning administration clerk	20 000 - 40 000										1		1	1
Statistics adviser	160 000 - 200 000										1		1	1
Grand Total		220	314	534	11	17	28	17	13	30	199	77	276	868

Costs of allowances and benefits as a percentage of total personnel costs

Home owners allowance	1,66%
Overtime	1,48%
Stand-by allowance	0,10%
Medical fund	3,51%
Pension fund	8,50%
10% non-pension allowance [SMS-Head]	0,03%
Medical provision [SMS]	0,01%
Non-pensionable cash allowance [SMS]	0,07%
Computer allowance [SMS]	0,01%
Newspaper & publication allowance [SMS]	0,01%
Entertainment allowance [SMS]	0,01%
Motor car allowance [SMS]	0,39%
Housing allowance [SMS]	0,03%

SMS = Senior Management Service

Affirmative action, recruitment, promotions and termination of services

Programme to promote affirmative action

Stats SA acknowledges the need to advance staff members from designated groups through training, development and career advancement.

Stats SA acknowledges that unless this advancement programme is incorporated into the organisation's strategic plan and line managers are committed to it, it will not achieve the desired results.

It is realised that there are significant costs associated with this programme in the short term, but in the long term it will yield positive results for the organisation by achieving improved levels of productivity and through the continuous supply of highly skilled human resources. Stats SA commits itself to making funds available to finance costs associated with this programme.

The objectives of this programme are:

- to achieve an organisational culture that values diversity and transformation;
- to formulate a comprehensive development and career advancement strategy for employees from designated groups; and
- to develop systems to monitor and measure the progress of the programme regularly, and to take corrective action where appropriate.

The Affirmative Action programme will focus on the following steps:

- identification of jobs or sections where employees from designated groups are either under-utilised, under-represented, or appointed without the necessary training and development or identified career paths;
- establishing specific, measurable employment and advancement goals with target dates in each area of under-utilisation or under-representation;
- identification of employment practices or stereotypes that hinder the employment and advancement of employees from designated groups. These include, but are not limited to, recruitment and promotion practices, performance evaluation stereotypes, and management of diversity, racial stereotypes, etc.;

- preparing line managers for their roles in this process by means of a Management Development Programme. It is envisaged that this will address such aspects as mentorship, management of diversity, etc.; and
- addressing the above-mentioned issues through an appropriate integrated process.

Number of employees recruited in each occupation by race, gender and disability

Occupation	Representivity						
	Race				Gender		Disability
	A	C	I	W	M	F	
Senior Administration Clerk	44	1	1	2	30	18	
Admin Officer	25		1	6	21	11	
Senior Accounting Clerk	4				1	3	
State Accountant	3		1	1	2	3	
Training Officer	11		1	2	6	7	1
Network Controller	2		1	1	2	2	
Programmer	7			3	8	2	
General Workers	5				5		
Senior Personnel Officer	4	1		1	1	4	
Survey Statistician	24	2	1	9	14	22	
Economist	4		1	2	6	1	
Librarian	2					2	
Assistant Director	9	2	1	5	10	7	
Deputy Director				3	2	1	
Director	3				2	1	

Number of foreign appointees per salary level

Salary level	Non SA citizens
15	0
14	0
13	3
12	4
11	3
10	1
9	0
8	2
7	1
6	0
5	0
4	1
3	0
2	0
1	0
	15

Disciplinary steps

Details of disciplinary cases for period under review

Type of misconduct	Number of cases	Gender distribution		Permanent employees	Contract employees	Number of cases finalised	Comments
		Male	Female				
Fraud	1		1	1		1	
Theft	5	5		4	1	5	
Under influence of alcohol on duty	2	2		2		0	Employees attending alcohol rehab.
Misuse of state vehicle	3	3		2	1	3	
Absence without leave	5	4	1	4	1	5	
Insubordination	1		1	1		1	
Assault	2			2		2	
Misrepresentation	1	1		1		1	
Motor vehicle accident	13	12	1	7	6	13	

Injury, illness and death

Five staff members were injured while on duty.

Collective agreements

Stats SA entered into a collective agreement with employee representatives to phase out a Performance Incentive Scheme that has been in operation for several years. This Remuneration Scheme was no longer adding value to the department in that it had ceased to motivate employees to perform better in their jobs. The exercise of phasing out this scheme generated a saving of R1,2 million to the department.

Employees discharged for ill-health

No employees were discharged on the grounds of ill-health.

Performance management and skills development

Distribution of awards per level according to race, gender and disability

	Black			White			Disability	Total
	F	M	Total	F	M	Total		
Level 1 - 3	38	37	75	2	2	4	1	80
Level 4 - 6	41	62	103	81	10	91	6	200
Level 7 - 8	16	30	46	27	13	40	2	88
Level 9 -12	13	16	29	28	19	47	0	76
Level 13-14	1	5	6	3	2	5	0	11
Total Awards	109	150	259	141	46	187	9	455
Total Percentage	24%	33%	57%	31%	10%	41%	2%	100%

Training of previously disadvantaged individuals within each grade of each occupational category

Occupational Category	Level	African			Coloured			Indian			White		Total PDI
		F	M	Total	F	M	Total	F	M	Total	F	Total	
Auxiliary Services	2	11	13	24	0	1	1	0	0	0	1	12	26
Auxiliary Services	3	3	8	11	1	1	2	0	0	0		4	13
Auxiliary Services	4	0	2	2	0	0	0	0	0	0	1	1	3
Auxiliary Services	5	0	1	1	0	0	0	0	0	0		0	1
Auxiliary Services	6	0	1	1	1	0	1	0	0	0		1	2
Total Auxiliary Services		14	25	39	2	2	4	0	0	0	2	18	45
Clerical / Secretarial	3	5	5	10	1	1	2	0	0	0	0	6	12
Clerical / Secretarial	4	29	21	50	1	1	2	0	0	0	3	33	55
Clerical / Secretarial	5	15	20	35	1	1	2	1	0	1	7	24	45
Clerical / Secretarial	6	12	15	27	0	0	0	1	0	1	85	98	113
Clerical / Secretarial	7	3	2	5	0	0	0	0	0	0	6	9	11
Total Clerical / Secretarial		64	63	127	3	3	6	2	0	2	101	170	236
Middle Management	9	2	7	9	0	1	1	1	1	2	0	3	12
Middle Management	10	3	4	7	0	0	0	0	0	0	7	10	14
Middle Management	11	0	5	5	1	0	1	1	0	1	5	7	12
Middle Management	12	8	7	15	0	1	1	0	2	2	6	14	24
Total Middle Management		13	23	36	1	2	3	2	3	5	18	34	62
Professionals	4	1	4	5	0	0	0	0	0	0		1	5
Professionals	5	2	1	3	0	0	0	0	0	0		2	3
Professionals	6	5	3	8	0	1	1	0	0	0	6	11	15
Professionals	7	4	13	17	0	1	1	0	2	2	4	8	24
Professionals	8	3	11	14	0	0	0	2	1	3	3	8	20
Professionals	9	2	4	6	0	0	0	0	0	0	10	12	16
Professionals	10	1	0	1	0	0	0	0	0	0	6	7	7
Total Professionals		18	36	54	0	2	2	2	3	5	29	49	90
Support Services	3	0	1	1	0	0	0	0	0	0		0	1
Support Services	4	2	0	2	0	0	0	0	0	0		2	2
Support Services	5	0	0	0	0	0	0	0	0	0	1	1	1
Support Services	6	8	7	15	0	0	0	0	1	1	4	12	20
Support Services	7	10	11	21	2	0	2	0	0	0	8	20	31
Support Services	8	8	15	23	0	1	1	3	0	3	21	32	48
Total Support Services		28	34	62	2	1	3	3	1	4	34	67	103
Senior Management	12	1	0	1	0	0	0	0	0	0		1	1
Senior Management	13	0	5	5	0	1	1	0	1	1	2	2	9
Senior Management	14	0	0	0	0	0	0	0	0	0	2	2	2
Senior Management	16	0	1	1	0	0	0	0	0	0		0	1
Total Senior Management		1	6	7	0	1	1	0	1	1	4	5	13
Grand Totals		138	187	325	8	11	19	9	8	17	188	343	549
Total Levels 1 - 2		11	13	24	0	1	1	0	0	0	1	12	26
Total Levels 3 - 5		57	63	120	4	4	8	1	0	1	12	74	141
Total Levels 6 - 8		53	78	131	3	3	6	6	4	10	137	199	284
Total Levels 9 - 12		17	27	44	1	2	3	2	3	5	34	54	86
Total Levels 13 - 14		0	5	5	0	1	1	0	1	1	4	4	11
Total Level 16		0	1	1	0	0	0	0	0	0	0	0	1
													549

Staff members received an average of 4,9 days training per employee. An average amount of R1 050 was spent on each employee for training.

Part 3

Programme performance

Aim of Statistics South Africa – Vote 31

The aim of Statistics South Africa is to provide timely, accurate and accessible official statistics to inform economic growth, development and democracy in South Africa.

Introduction

Regularly published and reliable official statistics enable government to identify and address policy and delivery challenges. Statistics South Africa collects, processes, analyses and publishes economic, social and population statistics. It has no direct policy responsibility; however, the data and information it distributes via electronic and print products support policy decisions made by government, the private sector and civil society. The impact of government policies is also evaluated using statistical information.

Statistics South Africa has defined its key objectives as follows:

- to promote co-ordination among statistical producers in South Africa in order to advance the quality, consistency, comparability and optimum use of official statistics and to avoid unnecessary duplication;
- to provide statistical information and advice to government departments and other users of official statistics; and
- to improve the quality of official statistics through applying scientific methodologies and enhancing people's skills.

These objectives are met through the activities of four programmes.

- *Administration* provides financial management, information technology and personnel support services for statistical production, as well as strategic capacity for top management.
- *Statistical services* produces official economic, social and population statistics and provides statistical support and advisory services.
- *Population census* involves planning and conducting the census, as well as processing and publishing the results.
- *Auxiliary services* comprises the Statistics Council, which advises the responsible Minister and the Statistician-General on matters of official statistics, and the trading account for the marketing and sale of value-added data products.

Stats SA's administration comprises the following sections:

- Corporate Services
- Internal Audit
- Strategy and Planning

Corporate services

The Chief Directorate of Corporate Services supports Stats SA's operations through:

- recruitment and development of staff;
- performance management and appraisal;
- organisational development and work-process design;
- information technology and networking;
- computer programming and systems design;
- financial planning and control; and
- provisioning.

This work is done by three directorates: Human Resources, Information Systems Development, and Finance and Provisioning Administration.

Human resources

Key achievements

Absorption of excess personnel: Subsequent to the restructuring process that took place in 1996, Stats SA had 71 staff members who were still additional to the formal establishment of the organisation. A programme to absorb this group of personnel was initiated and communicated to both staff members and employee representatives at the end of 2000. A training and development programme has been designed to ensure that these staff members acquire the necessary skills to enable them to perform competently in their new jobs.

Performance management: Stats SA entered into a collective agreement with employee representatives to phase out an outdated Performance Incentive Scheme that had been in operation for several years. This scheme was based on quantity of outputs while neglecting quality aspects and had ceased to motivate employees to perform better in their jobs. Phasing out this scheme has saved Stats SA R1,2 million. Staff who were part of this scheme have now joined Stats SA's output based



Statistician-General Pali Lehohla signs his employment contract following his appointment in November 2000

performance evaluation system which was established in 1997. This system is reviewed annually through a consultative process with employee representatives. Staff members have an opportunity to evaluate themselves jointly with their supervisors. To ensure fairness, staff members also have an opportunity to lodge a dispute if they are dissatisfied with the results of their assessment. An independent committee within the department handles disputes.

Survey database: A database of survey fieldworkers has been set up to facilitate savings on recruitment costs and to ensure retention of skills for household surveys. A total of 2 376 fieldworkers were recruited through use of this database in 2000.

HIV/AIDS awareness: A high profile HIV/AIDS awareness campaign was run in the department.

Human resources development: Human resources development is a high priority at Stats SA and to this end, staff members received an average of 3,9 days internal training and 1 day external training. Administrative staff received an average of almost five days training each and senior managers an average of one day each. An average amount of R1 050 was spent on each employee for training in the period under review. We are working out a scheme of increasing the amount of time allocated to training and continuous development.

Future plans

A management development programme will be implemented during the first half of the coming year aimed at providing all levels of management with practical management skills.

In the coming year Stats SA will be focussing on developing the statistical capacity of both internal staff and those of other government departments. Staff members will be attending courses in official statistics at the East African Institute for Statistics in Tanzania and the Makerere University in Uganda. Two fellowships will be awarded to

pursue PhD studies at the University of Pennsylvania in the United States and six short term fellowships will be pursued with the African Census Analysis Programme (ACAP) at the same university. In addition, in a strategic alliance with the South African Management Development Institute (SAMDI), Stats SA will train thousands of public servants per year in basic statistics for the next five years.

Other training plans for 2001 include Performance contracts and individual development plans; Planning; Training of trainers; Orientation/induction; On-the-job training skills for supervisors; Team building; Diversity; and Statistics in action (STAC).

Information systems development

Key achievements

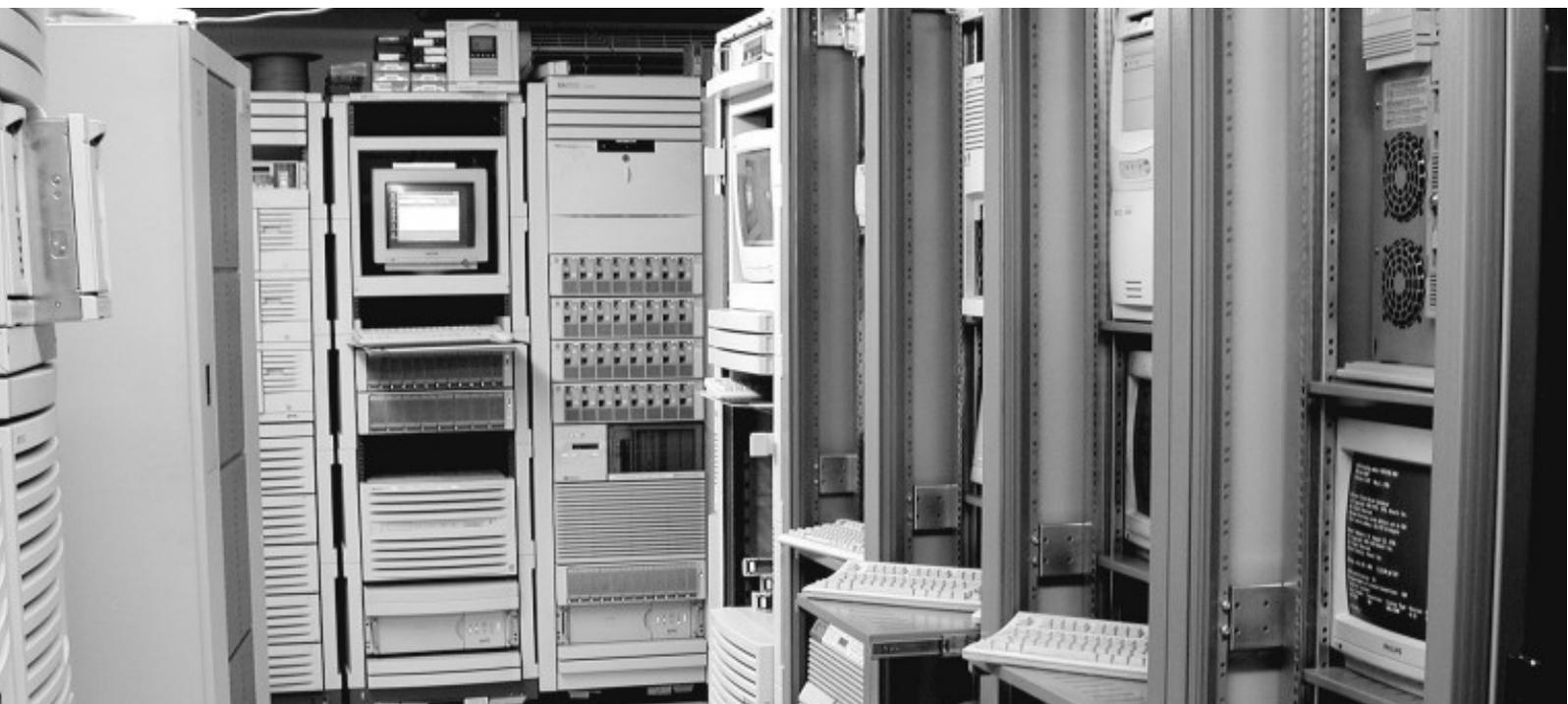
Upgrades: In order to ensure that Stats SA is able to maintain and develop its high levels of statistical quality and timeliness, information systems are continuously upgraded. The year 2000 saw major upgrades to Stats SA data processing, transmission and storage capacity and capabilities. This was done through the installation of new servers, and enhanced bandwidth on the local-area network (LAN) and wide-area network (WAN). In addition, 164 new PCs were installed as part of the organisation's commitment to ensure that every staff member has the equipment necessary to effectively do their job.

Helpdesk: The HelpDesk system was upgraded and more staff were appointed and trained to receive and channel calls. More than 6 300 calls were attended to.

Programming: Custom applications for various Access and Visual Basic/Sybase systems were developed and supported.

Training: As part of Stats SA's commitment to keep its staff technically skilled, a number of courses on the use of software were presented to approximately 400 staff members.

Stats SA's file server room



Future plans

Stats SA plans to install a large volume Storage Area Network in order to meet the growing demand for storage capacity. This will house Stats SA's spatial databases which will form the basis for accessing all spatially-referenced information and statistics.

The email system will be upgraded to Groupwise 6. This will be the first installation of the new version in South Africa. Stats SA will also upgrade its client operating systems to Windows 2000 and Office 2000.

Trial runs of Lotus Domino/Notes will be run in conjunction with the Australian Bureau of Statistics, with a view to introducing it as a knowledge and work flow management system.

Finance and provisioning administration

Key achievements

PFMA implementation: The 2000/01 financial year saw the first phase of the implementation of the Public Finance Management Act (PFMA) and the new Treasury Regulations. An implementation plan was compiled and all managers and finance and provisioning staff were familiarised with the Act. Training was a key tool to ensure compliance and most staff in the Directorate participated in various courses regarding the PFMA requirements.

A Chief Financial Officer post was created and graded during the year but has not been filled to date because a restructuring process was initiated in the department. The departmental accountant was appointed to act in the position.

New accounting and procurement systems: Both the BAS accounting system and the Logis procurement system were implemented successfully in the department during the financial year. These systems have streamlined the process necessary for procurement, payments and financial reporting.

Census 2001: The department has provided enormous support to the Census 2001 project. In particular, the directorate processed a large number of tenders and managed the payment of enumerators for the pilot census in March 2001.

Future plans

A more intensified implementation of the PFMA will continue during the 2001/02 financial year. This will include ongoing policy development and the revision of the structure of the directorate. The identification of internal control weaknesses will continue and remedial action will be in the form of implementation of more efficient policies and procedures, as well as training. In particular, the control and follow-up of suspense and debt accounts are to be improved and the functions related to financial inspections and budgeting and expenditure control are to be strengthened.

Training of finance, provisioning and line function staff will continue. This has been identified as a critical success factor for the successful implementation of the PFMA. Management capacity within the line functions must still be developed so that more

meaningful operational planning and budget controls can be applied in order to meet the requirements of the PFMA.

Proper implementation of the PFMA in the provinces is also to be prioritised through enhancement of capacity with particular emphasis on ensuring proper financial controls in the provincial offices.



The financial year saw the first phase of implementation of the Public Finance Management Act (PFMA)

Internal audit

Aim

The Directorate of Internal Audit provides an internal control and performance auditing service to Stats SA.

In terms of the requirements of the Public Finance Management Act, a Director of Internal Auditing was appointed in August 2000 to establish an independent internal audit function reporting to the Statistician-General and an independent audit committee of Stats SA. The main objective is to assist management by performing organisation-wide audits on various risk areas.

Key achievements

Awareness: A briefing workshop was conducted for all managers on the role and importance of internal audit.

Audit committee: The audit committee was established in November 2000. It held one meeting before the end of the period in which it compiled its charter and approved the internal audit charter. The internal audit charter demarcates the organisational status, authority and objectives of the internal auditor within Stats SA.

Fraud prevention: A fraud prevention plan was compiled and disseminated to all staff.

Risk analysis: A comprehensive management report on the evaluation of internal controls (risk analysis) of Stats SA was compiled. The report details deficiencies in internal controls and identifies areas for improvement to ensure that Stats SA maintains effective, efficient and transparent systems of financial and risk management and internal control as required by the PFMA.

Future plans

An audit plan for the 2001-2002 financial year, as well as a rolling three-year strategic audit plan for the 2001-2004 period, based on an assessment of key areas of risk for Stats SA will be submitted to the audit committee for approval.

Specific attention will be given to Census 2001 to ensure that value for money is achieved.

Strategy and planning

Aim

The Directorate of Strategy and Planning provides the following services to Stats SA:

- strategic planning and management systems design;
- co-ordination of international relations;
- external media liaison and internal staff communication;
- management of special organisational development projects.

The directorate also manages Stats SA's international technical assistance programmes, and provides administrative assistance to the statutory Statistics Council.

Key achievements

Strategic thinking

Three strategic thinking sessions were held during the period. The first, in July 2000, provided the senior management team with an opportunity to reflect on the achievement of strategic goals set at the end of 1999.

In November 2000, a *lekgotla* was held focusing on organisational development issues. At this meeting managers and members of a cross-organisational task team on organisational development discussed problems in a range of areas, and identified relevant solutions. An Agenda for Change emerged from the workshop, to which all participants committed themselves.

Following the appointment of the Statistician-General, the management team held two working sessions to discuss the strategic thrust of the organisation. The outcome of these meetings formed the basis for Stats SA's revised strategic plan.



Team building at the *lekgotla*

Planning and performance management

Two years ago Stats SA set in motion a strategic management cycle to co-ordinate the various strategic, financial and human resources planning and reporting activities. A key development in this regard over the period has been the development of objectives and measurable performance indicators for each activity at a component level. The measures form an integral part of medium-term and operational planning. One follow-up process to measure actual performance against these indicators took place in December.

International technical assistance

The Swedish technical assistance programmes is by far Stats SA's most substantial international programme. During the period under review, the programme assisted Stats SA in the development of a new business register, the development of analytical capacity in the provincial offices, the development of a sustainable management structure for household surveys, and the planning and establishment of a GIS infrastructure for Census 2001.

Assistance in other fields has been received from other international partners. These include:

- the establishment of a gender unit and the conducting of a time use survey funded by the Norwegian government;
- a project aimed at capacity building to enable local authorities to provide improved financial data, funded by the Swiss government; and
- technical assistance for Census 2001 from the US Census Bureau.

Regional co-operation

Stats SA stepped up its involvement in SADC and other African statistical initiatives during the year. Primary amongst these was the chairing of the SADC census project, which aims to ensure a common approach to population censuses in SADC and to facilitate comparability.

Stats SA is hoping to learn from the experiences of other African countries in data collection, organisational transformation, and establishing a national statistical system. To this end various visits both to and from other countries on the continent took place.

External communication

Stats SA held twelve press conferences in the year under review to publicise important economic releases such as the Gross Domestic Product (GDP) and labour statistics. Press conferences were also held to inform the media about changes to series such as the rebasing of the CPI and the PPI.

Future plans

The unit will assist the organisational development task team with change management expertise in the restructuring and organisational transformation and development process.

Closer links will be developed between the organisational and individual planning and performance management systems. Through collaboration between strategy and planning and human resource management, it is expected that improved individual performance will lead to improved organisational performance.

A wide-ranging Canadian technical assistance project is expected to get underway in the first half of 2002. The programme will provide support to human resources and GIS amongst other areas.

The intranet will undergo a major overhaul with the introduction of interactive facilities. This will allow certain administrative functions, such as applying for leave, to be totally completed on-line.



Former Head of Stats SA,
Dr Mark Orkin, (left) with the
Director-General of Statistics
Sweden, Mr Svante Öberg

Stats SA's statistical services comprises the following sections:

- Economic Statistics and Surveys and National Accounts
- Demography
- Research and Development

Economic statistics and surveys and national accounts



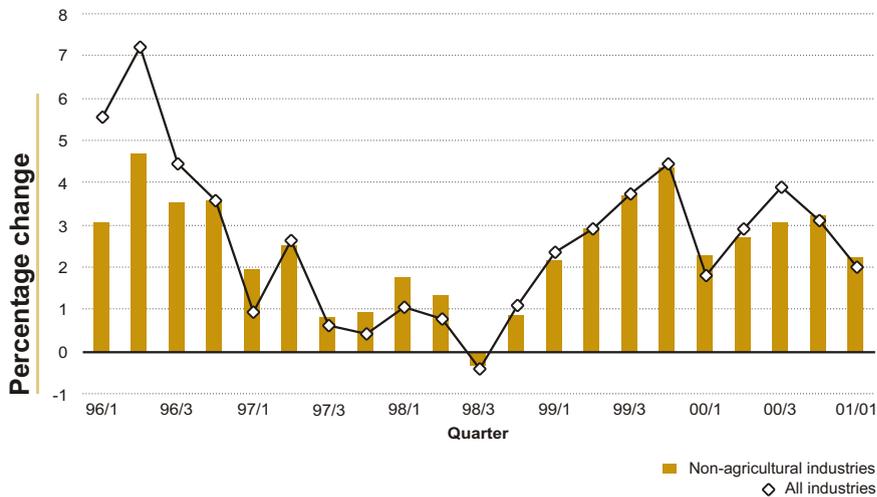
Ms Annette Myburgh,
Chief Director:
Economic Statistics and
Surveys and National Accounts

Aim

The Chief Directorate of Economic Statistics and Surveys and National Accounts provides information on all sectors of the economy as well as its synthesis into national accounts. Its main functions are to:

- conduct economic surveys of businesses in the major sectors;
- undertake surveys on labour market issues such as wages, earnings and employment levels;
- maintain and update the business register, which serves as a sampling frame for all economic and labour surveys;
- calculate indices such as the consumer price index (CPI), the producer price index (PPI) and associated building costs indices; and
- compile national accounts and government statistics.

Annualised growth rate in the seasonally adjusted real value added at basic prices



Source: Stats SA

Key achievements

Business register

The development of an integrated business register for use by government is a key strategic priority of Stats SA. Work on this has been ongoing for several years in conjunction with the South African Revenue Service, the Department of Trade and Industry and the Department of Labour, with the assistance of Statistics Sweden. Stats SA conducted a telephone survey of 40 000 large and complex businesses to ensure that the sampling frame for business surveys takes into proper account the large contribution that these corporations make to the economy. The survey had the specific aim of identifying corporations which operate from multiple geographic sites.

Economic indicators

Timely production of key economic indicators continued. These indicators include the consumer price index (CPI), the consumer price index excluding interest rates on mortgage bonds (CPIX), the production price index (PPI), the gross domestic product (GDP) and employment and earnings. These indicators are produced in compliance with the United Nations' 1993 system of national accounts (SNA93) and the International Monetary Fund's special data dissemination standards (SDDS). The CPI and PPI were rebased during the year.

Wholesale and retail trade large sample survey

A new large sample survey of financial information in the wholesale and retail trade industries was introduced. This survey replaces the old economic industry censuses to reduce respondent burden and improve timeliness.

Annual supply and use tables

Stats SA compiled supply and use tables for South Africa for 1998, which serve as a harmonising framework for data contained in the national accounts.

Stakeholder participation

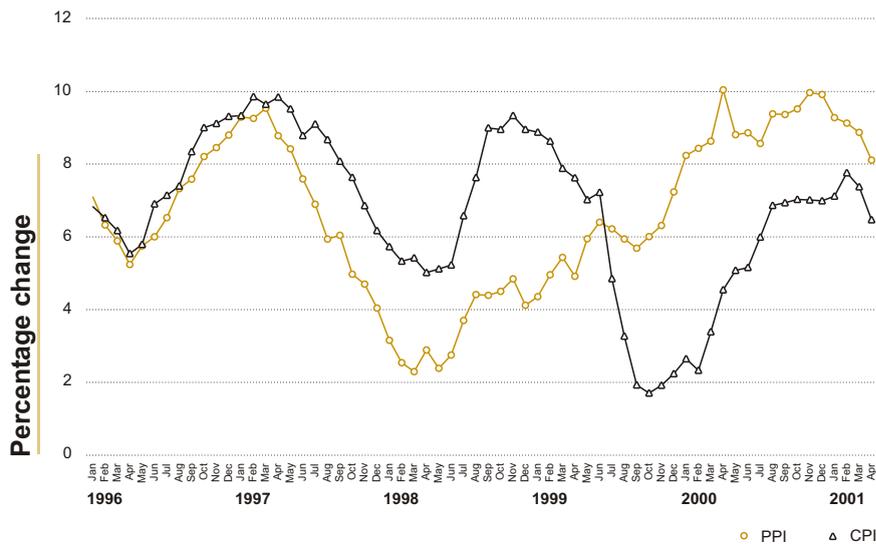
As part of Stats SA's commitment to delivering quality statistics that are relevant to users, a thorough strategic review of several economic collections, national accounts estimates, supply and use tables and a social accounting matrix took place. This review involved stakeholders in individual consultations, workshops and advisory committee discussions. Questionnaires, methods, statistical releases and publications were discussed, redesigned and tested extensively on stakeholders.

Future plans

A fax and postal survey of economically significant enterprises will be conducted as part of the ongoing development of the business register so that Stats SA will be able to redesign samples, publish regular economic statistics information at a regional level and compile annual gross domestic estimates by province.

The 'basket of goods' and relevant weights used in compiling the CPI and CPIX will be revised, using information from the Income and Expenditure of Households Survey of October 2000. The data will also provide indicators comparable with the 1995 survey, thereby informing poverty monitoring and policy formulation.

Annual percentage change in the Production Price and Consumer Price Indices

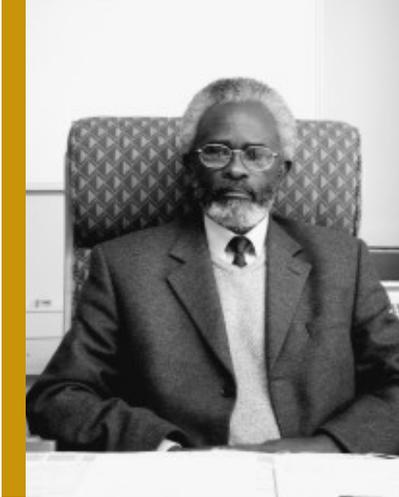


Source: Stats SA

Output and service delivery trends

Outputs	Service delivery indicators
Economic statistics	
<p>Statistics on:</p> <p>Primary and secondary sectors:</p> <ul style="list-style-type: none"> Manufacturing Mining Generation and consumption of electricity Construction <p>Tertiary, services and transport sectors</p> <ul style="list-style-type: none"> Retail Trade Motor Trade Hotel Trade Land Freight Transport Statistics Quarterly Financial Statistics Annual Economic Activity Survey <p>Prices</p> <ul style="list-style-type: none"> Consumer Price Index Production Price Index Income and Expenditure of Households Survey Construction <p>Labour</p> <ul style="list-style-type: none"> Employment and Earnings Average Monthly Earnings Employment by Occupation, Gender and Race (SEOGR) <p>Business Register sampling frame</p>	<p>180 statistical releases published and distributed via the web and in hard copy to government departments, economic analysts, and the media</p> <p>Statistical reports on:</p> <ul style="list-style-type: none"> Building statistics Occupational survey, 1995, and 1996 Funerals and related services Hairdressing and other beauty treatment services Laundry and (dry-)cleaning services Motion picture and video production and distribution services Photographic studio services Census of accommodation services, 1995 Census of manufacturing, 1996 Road traffic collisions, 1998 Census of retail trade, 1993
National and government accounts	
<p>Statistics on:</p> <ul style="list-style-type: none"> Gross domestic product General Government Expenditure Local government institutions Capital expenditure for the public sector Remuneration and turnover based on levies of district councils 	<p>18 statistical releases published</p>

Demography



Prof. Akiiki Kahimbaara,
Acting Chief Director:
Demography

Aim

The Chief Directorate of Demography collects, processes and disseminates population statistics and information. In particular, it is responsible for three main areas. They are:

- planning, implementing, processing and disseminating a five-yearly national census of population and housing;
- organising and managing the nine provincial offices whose roles are to implement fieldwork for both household surveys and population censuses, and to cater for the statistical needs of the provinces in which they are located; and
- providing, managing and maintaining a geographical information system (GIS) necessary for geo-referencing operations and outputs.

Of these, the planning and preparation for Census 2001, which was a main focus of this chief directorate in the period under review, and much of the GIS work, is reported below under the Census Programme.

Key achievements

Geographic information system (GIS)

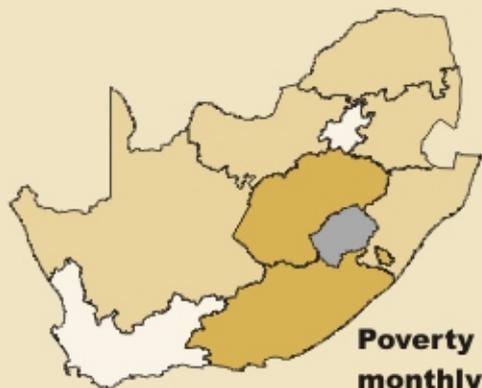
A geographic information system integrates the statistics produced by different surveys with geographic information. The GIS was used to prepare spatial databases for the household surveys and business surveys, for the establishment of multi-purpose community centres, for identifying areas at risk of the cholera epidemic (in conjunction with the Department of Health), for the dissemination of Census '96 products and for the planning and enumeration phases of Census 2001.

Poverty analysis and mapping

In September 2000 Stats SA, in collaboration with the World Bank, produced an innovative and extremely popular report on measuring poverty, accompanied by a series of maps showing the distribution of poverty at various geographic levels. A task

Poverty in South Africa

(household poverty line based on consumption expenditure at R800 or less per month - 1996 prices)



Poverty distribution based on monthly expenditure by province

Provinces with less than 20% poverty
Gauteng (12%) • Western Cape (12%)

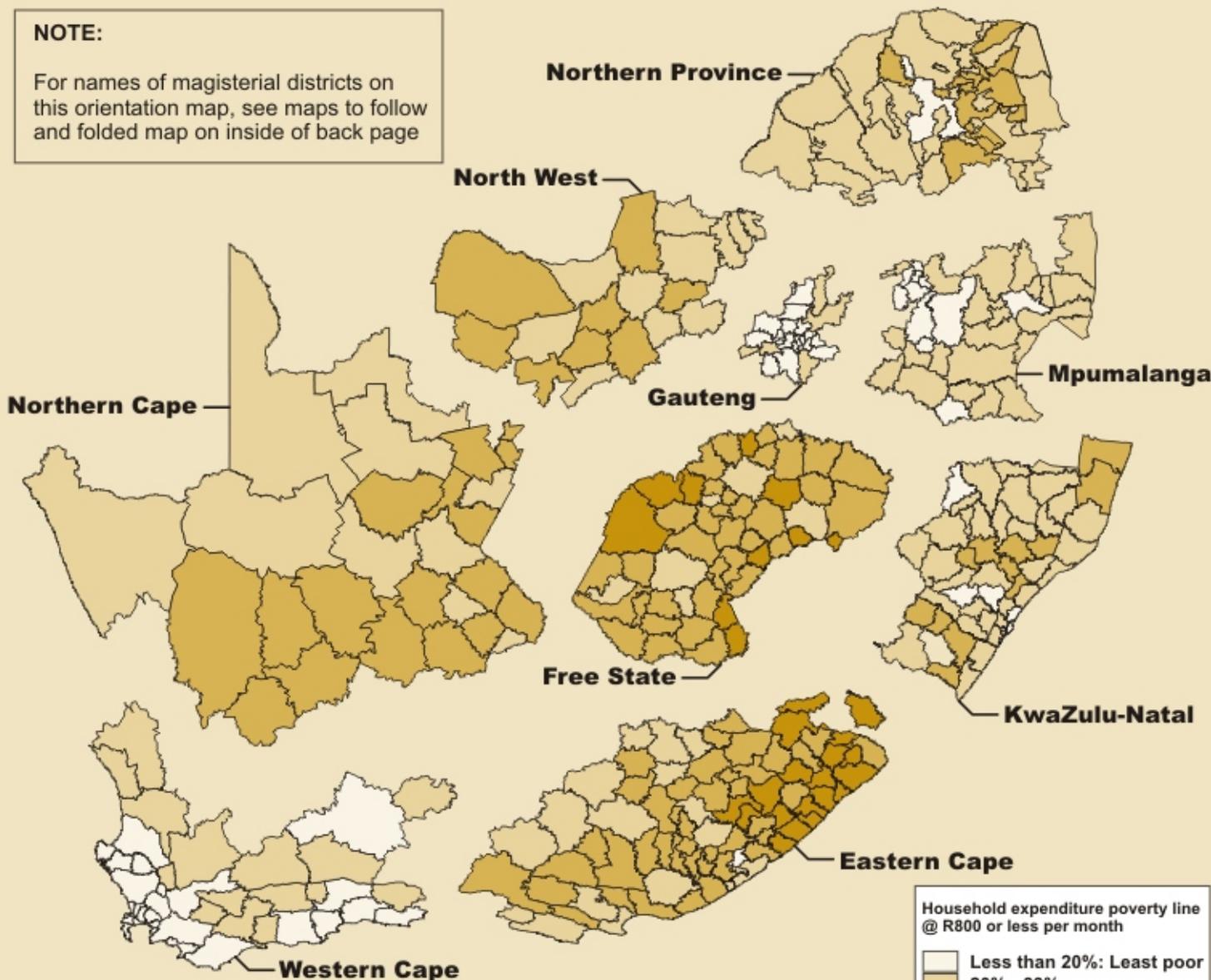
Provinces with poverty levels between 20%- 40%
Mpumalanga (25%) • KwaZulu-Natal (26%)
Northern Cape (35%) • North West (37%)
Northern Province (38%)

Provinces with poverty levels greater than 40%
Free State (48%) • Eastern Cape (48%)

Poverty distribution based on monthly expenditure, by magisterial district

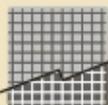
NOTE:

For names of magisterial districts on this orientation map, see maps to follow and folded map on inside of back page



Household expenditure poverty line @ R800 or less per month

- Less than 20%: Least poor
- 20% - 39%
- 40% - 59%
- 60% - 80%: Poorest



Statistics South Africa

Source: Statistics South Africa & World Bank

team has been set up to ensure that South Africa's information needs with regard to poverty are met and to improve the methodology for the next round of poverty analysis due in 2003. Two officials were seconded to the World Bank in Washington, DC, USA, to improve modelling techniques as well as the precision of the estimates of poverty indicators.

Collaboration with the African Census Analysis Project

The African Census Analysis Project (ACAP) at the University of Pennsylvania in the USA facilitates the utilisation of census data from various African countries through a high tech archive system. ACAP also promotes the development of demographic skills among African researchers. The archive converts census data from different African countries into a standard format for easy access and retrieval.

In July 2000 the University of Pennsylvania invited two officials from Stats SA as visiting scholars in connection with ACAP. The purpose of the visit was to set up an archive for data from South African censuses, and to create census time series databases. Future work includes a book on the demography of South Africa to be published jointly by the University of Pennsylvania and Statistics South Africa.

Coordination of provincial offices

Provincial offices provide support to Stats SA's activities in the provinces, such as field implementation of household surveys and censuses, dissemination of products and information to users, outreach activities and analysis of data for local use. The activities, management, logistics and financial control of Stats SA's nine provincial offices are coordinated through the office of provincial coordination at head office in Pretoria.

During the reporting period provincial offices:

- updated the master sample used in household surveys;
- implemented and provided fieldwork support to the rural survey, national agricultural survey, labour force survey, time use survey, income and expenditure survey, survey of the employer and self-employed, the pilot census and the post-enumeration survey for the pilot census;
- held workshops to identify user needs regarding household surveys and Census 2001, and to market the organisation and its products;
- organised Statistics Day celebrations featuring statistical information to measure poverty;
- held meetings with provincial statistics forums to promote the use of statistics and secure institutional cooperation for survey and census operations; and
- provided information necessary to compile indicators to identify areas at risk relative to the spread of cholera.

Building capacity in provincial offices continued to be a priority. During 2000 statisticians and information officers received training in analysis, which was achieved through technical assistance by Statistics Sweden. The result will be a provincial profile compiled for each province by the relevant provincial office.

Research and development



Dr Ros Hirschowitz,
Chief Director:
Research and Development

Aim

The Chief Directorate of Research and Development is responsible for:

- the household survey programme;
- vital statistics, population projections and tourism statistics;
- analysis of demographic, social and economic data and compilation of narrative reports;
- advising on methodology, sampling, publishing and dissemination;
- editing, production and dissemination of products in a range of media formats; and
- user information services.

Key achievements

Labour force survey

Three rounds of the bi-annual labour force survey were conducted. The first and pilot round surveyed 10 000 households. The next two utilised a rotating panel sample of 30 000 households. The survey will provide detailed information on labour market trends, as well as substantial data on living conditions. The third round, conducted in March 2001, included an additional component to obtain in-depth information on the informal sector and formal businesses not registered for VAT.

The labour force survey is making use of scanning technology to ensure speedy processing of results and maintain high quality standards.

Master sample

The master sample was updated and maintained for the first time between April and June 2000. This updating will enable Stats SA to go back to the same households for the Labour Force Survey, and implement rotating-panel methodology.



Employment trends in agriculture
in South Africa

Measuring poverty
in South Africa

Statistics South Africa

ANNUAL REPORT
1999

THE PEOPLE OF SOUTH AFRICA
POPULATION CENSUS, 1996
SUMMARY REPORT

South African Statistics
2000

Statistics South Africa
Stats in brief
2000

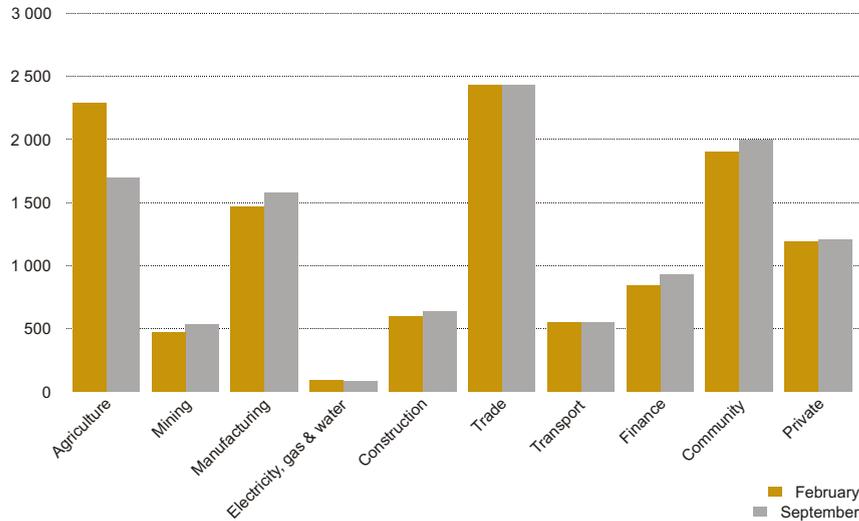
Reference Manual
Version 1.0

Mean and minimum wages
in South Africa

Quantitative research findings on
RAPE
in South Africa

Publications produced by Stats SA during the year

Number of workers by industry



Source: Labour force survey, 2000

October household survey

The results of the 1998 October household survey were released in May 2000, with the findings of the 1999 October household survey following shortly thereafter, in July 2000. The main aim of this survey was to measure poverty. International indicators were used for the first time to assess the extent of poverty in the country. It was financed by the British Department for International Development.

Agricultural survey

Fieldwork for a household-based survey on agriculture, including both commercial and small-scale farming as an integrated sector, was conducted in August 2000 for the first time. The National Department of Agriculture funded this survey.

Income and expenditure survey

The five-yearly income and expenditure of households survey took place in October 2000. It will be used for re-basing the CPI and for estimating poverty through measuring expenditure.

Time use survey

Stats SA conducted three rounds of the first time use survey, which will indicate how people living under different conditions spend their time on both economic and non-economic activities. The survey particularly focuses on the activities of rural women. The Norwegian international aid agency, NORAD, sponsored this survey.

Analytical reports

The following analytical reports were published during the period:

- a narrative report summarising the findings of the 1996 population census; and
- a poverty report comparing four different ways of measuring poverty.

Population estimates

The mid-year population estimates took account of the HIV/AIDS epidemic for the first time. A working group of local and international experts participated in evaluating the methodology.

Time series data on the internet

On-line access to time series data of nine statistical collections was introduced on the website in mid-2000. By the end of March 2001, this had attracted over 600 subscribers, many of whom represented multi-user institutions.

Future plans

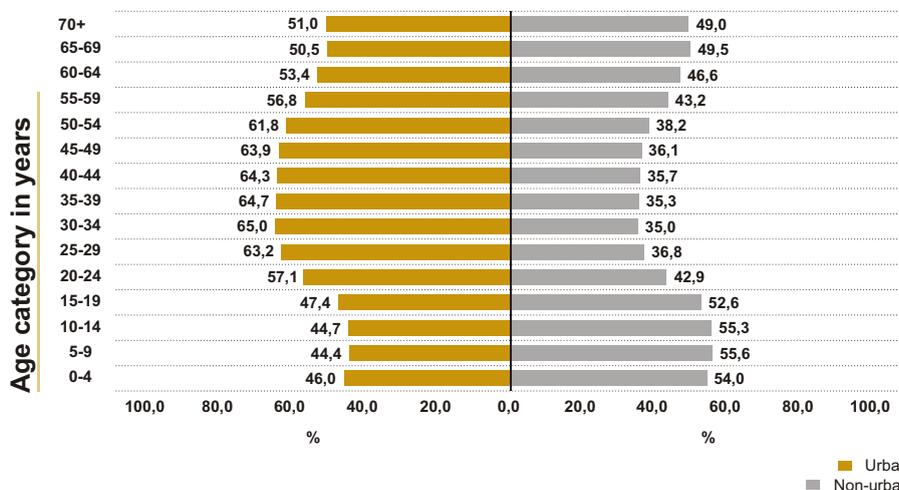
The results of the labour force survey, the survey of the informal sector and formal non-VAT-registered businesses, the agricultural survey and the time use survey will be published.

A report comparing five years of October household survey data will be published to show changes in the living conditions of South Africans since 1995. This will be accompanied by the release of data from these five surveys, available in both user-friendly SuperStar format allowing for user-defined tabulation and mapping, and an ASCII format for more specialist users. The poverty components of the 2000 income and expenditure survey will also be published.

Tourism monitoring is to be enhanced by improving the collection of statistics on the entry and exit of people at the various ports of entry into the country.

Vital statistics are to be improved through ongoing developments to the registration of births, deaths, marriages and divorces in conjunction with the departments of Health and Home Affairs.

The proportion of people living in urban and non-urban areas by age category, October 1999



Source: October household survey, 1999
Excluding unspecified

More and more data will be made available on the internet, as the website increasingly becomes Stats SA's central dissemination vehicle.

Output and service delivery trends

Outputs	Service delivery indicators
Research and development	
Publishing services User information services Statistical analysis Data harmonisation	Responses to 44 848 telephonic, faxed and email requests for statistical information from users Publishing services for 350 Stats SA publications Conference papers on: <ul style="list-style-type: none"> - Socio-economic indicators of development progress within the OECD framework in South Africa - The population census 1996 in South Africa: Under-reporting of the undercount in the post-enumeration survey Statistical reports: <ul style="list-style-type: none"> - Summary report: 1996 population census - Measuring poverty in South Africa (with the World Bank) - Employment trends in agriculture in South Africa (with the Department of Agriculture) - Mean and minimum wages (with the Department of Labour) - Quantitative research findings on rape in South Africa
Household surveys and vital statistics	
Statistics on: Household living conditions Labour market dynamics Agricultural activity Time use Deaths Marriages and divorces Tourism and migration Population projections Children's rights in South Africa	2 statistical releases published based on the 1998 and 1999 annual October household surveys with a sample size of 30 000 households 1 discussion paper released following the pilot labour force survey. Two additional rounds of the LFS conducted with sample size of 30 000 households 3 rounds of the time-use survey conducted 1 national agricultural survey conducted 1 pilot post-enumeration survey conducted 4 reports on deaths, population projections, life tables, marriages and divorces respectively 3 statistical releases on deaths, still births, tourism and migration respectively 12 issues of a vital statistics and children's rights newsletter

Programme 3

Population census



Aim

Co-ordinated by the Chief Directorate of Demography, the census programme is responsible for:

- Planning, implementing and disseminating the results of the five-yearly national population census
- Providing and maintaining a computerised geographical information system.

Preparations for Census 2001

Census mapping

A prerequisite for a successful census is a well-defined and comprehensively-mapped census geography. Mapping technology and processes are a motor for the census. The field operations, data analysis and reporting of Census 2001 will be founded on an improved 1996 spatial database, consisting of a mosaic of enumeration areas (EAs), which is continuously refined.

Four major developments have taken place. First, the EA database, which in 1996 covered only settled areas, has been extended to cover the entire country. Second, a more technological methodology was developed using remote sensing and satellite imagery, Global Positioning Systems (GPS) technology incorporated into survey practice, and videographic techniques. Third, a public-private partnership to deliver updated spatial information was tightly managed by Stats SA staff. Fourth, refinement of the attributes of the spatial database has been continuous. Examples include refinement of the placenames database, and a critical review of the concepts and definitions utilised in the mapping process.



Census '96 Community Profile products



A census enumerator summary book showing an aerial photo map of an enumerator area in Northern Cape

Geographic information system (GIS)

Although the GIS is increasingly seen as a corporate resource, the focus for the period under review was Census 2001. It was used to drive demarcation of the country into EAs, the EA being the basic unit of data collection, analysis and dissemination. The GIS was also used to produce maps for the enumeration summary book used for fieldwork administration by enumerators during the pilot census and its associated post-enumeration survey (PES). Enumerators in the main census will use a similar GIS-based summary book.

Census data processing

A major innovation in the preparation for Census 2001 is the introduction of scanning technology to be used for data capture from questionnaires, and subsequent data conversion of the images captured. This is cutting-edge technology, which greatly enhances data quality and significantly reduces the time required for data processing.

As part of the processing programme, officials from Stats SA visited Zambia to observe processing of the pilot census, visited Botswana to observe editing census data; and visited the UK to learn more about scanning technology. USAID provided technical assistance for editing census data.



Capturing and processing questionnaires

Pilot census and post-enumeration survey

A pilot census and the accompanying PES were held in the first three weeks of March 2001. The results informed a review and revision of the planning strategy for the main event in October 2001. The US Bureau of the Census (funded by USAID) provided technical assistance to support preparations for the PES. The Australian Bureau of Statistics also provided assistance.

Future plans

10 October 2001 will see the start of South Africa's second population census in a democratic dispensation. Approximately 100 000 fieldworkers will visit every household and institution in the country to collect information about the life circumstances and living conditions of each person. Fieldworkers will be employed from the communities in which they are to enumerate. An infrastructure consisting of about 90 regional offices will support the flow of materials to and from the fieldworkers, and ensure the maintenance of quality standards.

A massive publicity effort aimed at informing every South African about Census 2001 will be kicked off by launches in Parliament and in each provincial capital. Television and radio adverts will precede a more intensive and community-oriented publicity campaign. An innovative 'Census @ Schools' programme will expose school children and their teachers to the benefits of statistical information and the process of conducting a census. International experience has shown this to be an effective tool to reach adults in the run-up to a national population census.

The capturing and processing of census questionnaires will begin in late 2001 at three processing centres located in Gauteng, Free State and Eastern Cape. Scanning technology will be used for the processing phase and it is anticipated that this investment will be made available for use by other government departments, in particular the SARS and department of Home Affairs, once this phase of the census is completed. Approximately 700 people will be employed to implement the capture of the questionnaires.

South Africa's new Statistics Act (No. 6 of 1999) makes provision for a Statistics Council consisting of between 15 and 25 members, whose appointment has to be approved by Cabinet. These members include one representative from each province, and nominated members from organs of state, organised business and labour, the statistics community, researchers and the general public.

The Statistics Council advises the responsible Minister, the Statistician-General and other organs of state on statistical matters. It is also responsible for promoting, co-ordinating and safeguarding the system of official statistics.

Minister Trevor Manuel appointed the members of the first Council constituted under the new Statistics Act on 22 November 2000. The Council consists of 25 members.

This Council has met three times during the period under review. In addition to consideration of the role and functioning of the Council, discussion has taken place on a range of issues including the Census 2001 questionnaire and trends within and between the various labour datasets.

The Statistics Council is independent of Stats SA and submits its own report to the Minister. Stats SA provides an administrative support service to the Council.

Part 4

Audit reports, financial
statements and other
financial information

Management report

for the year ended 31 March 2001

Statistics South Africa

Report by the Accounting Officer to the Executive Authority and
Parliament of the Republic of South Africa

1 General review of the state of financial affairs

A total amount of R282,982 million was allocated to the Department for the 2000/01 financial year. Of this amount, R136,383 million was allocated for Census 2001 and R146,599 million for the other activities.

A total under-spending of R77,667 million was realised, of which R66,844 million was for the Census. Some of the Census activities were running behind due to new methodologies and systems. The savings on non-census activities were mainly due to vacant posts not being filled and concomitant administrative expenditure. When the previous departmental head left, it was decided not to initiate any long-term commitments until a new head had been appointed. The requirement to grade all new posts and certain vacant posts before being filled, also slowed down the recruitment process. A process of organisational development was initiated by the newly-appointed Statistician-General in order to determine the ideal structure of the Department in order for it to meet its strategic objectives over the long term.

A total amount of R2,239 million was written off as losses during the financial year. Most of these amounts emanate from Census '96 when the Department employed numerous persons in temporary capacities, either as fieldworkers or to carry out administrative tasks at Head Office, the provincial offices and temporary census regional offices. These amounts were only written off after recovery attempts proved futile and there is no longer any benefit in maintaining the amounts in the books of account.

The Public Finance Management Act was implemented during the 2000/01 financial year. It was, however, found that the capacity in the finance component and at provincial offices needed to be strengthened. Additional posts were created both at Head Office and in the provincial offices. These will be filled during the 2001/02 financial year.

The Department transferred from the Financial Management System (FMS) to the Basic Accounting System (BAS). The latter system was found to be more conducive to meeting the controlling and reporting requirements of the Public Finance Management Act.

2 Risk management and fraud prevention

An Internal Auditor was appointed during the financial year. The Internal Audit component has since been strengthened by the appointments of two audit assistants. An intensive risk analysis has been completed by the Internal Auditor. This has been submitted to the Audit Committee. An internal task team will be analysing the contents of the report in order to recommend actions and oversee the implementation of such actions. A fraud prevention plan has been compiled by the Internal Auditor who will ensure its implementation.

3 New/proposed new activities

Implementation of the Statistics Act (6 of 1999), in particular the implementation of the National Statistics System (NSS), which, in the main, coordinates the producers, users and suppliers of statistics so as to produce and disseminate a set of plausible, consistent, timely and accessible national statistics that are disaggregated by time, geography and subject.

Approval

The attached annual financial statements set out on pages 55 to 67 have been approved by the Accounting Officer.



Mr P J Lehohla

24 July 2001



AUDITOR - GENERAL

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Report of the Auditor-General

*on the financial statements of vote 31 - Statistics South Africa
for the year ended 31 March 2001*

Statistics South Africa

1 Audit assignment

The financial statements as set out on pages 55 to 67, for the year ended 31 March 2001, 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). 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 the 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.

Due to the nature of the prescribed accounting practice, the audit was performed within a financial reporting framework which does not at this stage necessarily result in fair presentation of the results of operations, financial position and cash flows for any financial period.

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

2.1.2 Compliance audit

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

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

2.2 Audit opinion

2.2.1 Financial audit

In my opinion, the financial statements fairly present, in all material respects, the financial position of Statistics South Africa at 31 March 2001 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice and in a manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

2.2.2 Compliance audit

Based on the audit work performed, nothing has come to my attention that causes me to believe that material non-compliance with laws and regulations, applicable to financial matters, has occurred.

3 Emphasis of matter

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

3.1 Computer audit

Good progress has been made with a follow-up computer audit of the general controls of Statistics South Africa. The results will be reported on in more detail in the next report.

3.2 Internal control

Certain shortcomings in the internal control were reported in previous years. The corrective steps that the accounting officer undertook to implement were evaluated. However, some of these matters remain unsolved. These include the long outstanding debt of current and ex-employees and fixed assets registers which had not been adequately maintained resulting in the non-confirmation of the completeness and existence thereof.

During the current audit further internal control shortcomings became evident. These relate to unused receipt books, petty cash, government transport, overtime, bank reconciliations, personnel documents, information not captured on the personnel system, the housing guarantee register and the back-up and recovery of data on the salary system.

3.3 Re-employment of former employees

Employees who have taken severance packages are being re-employed as contract workers by the department. Statistics South Africa is therefore not adhering to the requirements of chapter 1, Part VII, section B.3.1 of the Public Service Regulations. The relevant contracts were only signed by the employees and not by a representative of the department.

3.4 Non-appointment of chief financial officer

According to Treasury Regulation 2.1.1 an accounting officer must appoint a chief financial officer not later than 1 April 2001. Although a chief financial officer was not appointed during the period under review, the vacancy has been filled since year-end.

3.5 Submission of revised statements

Section 40(1)(c)(i) of the PFMA requires financial statements to be submitted to the Auditor-General within two months (by 31 May) after the end of the financial year. The financial statements were signed by the accounting officer on 31 May 2001 and submitted for audit purposes on 31 May 2001. These financial statements required changes to be acceptable for audit purposes and were handed back to the accounting officer to effect those changes. The corrected financial statements were signed by the accounting officer on 24 July 2001 and resubmitted for audit purposes on 24 July 2001. The resubmission date has been recognised as the submission date. Therefore, this is considered to be a late submission and technically in non-compliance with the requirements of the PFMA.

4 Appreciation

The assistance rendered by the staff of Statistics South Africa during the audit is sincerely appreciated.



G R Withöft
for Auditor-General

Pretoria
31/7/2001

Statement of accounting policies and related matters

for the year ended 31 March 2007

Statistics South Africa

1 Basis of accounting

The financial statements have been, unless otherwise indicated, prepared on the historical cost basis in accordance with the under mentioned policies which have been applied consistently in all material respects.

1.1 Underlying assumptions

The financial statements have been prepared on the cash basis of accounting except where stated otherwise. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid. This basis of accounting measures financial results for a period as the difference between cash receipts and cash payments.

However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) and the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act.

The statements have been prepared on the historical cost basis and reliance is placed upon the fact that the Department is a going concern.

1.2 Revenue

Revenue of the State and/or departmental receipts are paid over to the principal receivers of revenue. Unexpended voted funds are surrendered to the National Revenue Fund.

1.3 Expenditure

The income statement includes both current and capital expenditure. Unauthorised expenditure is not accounted for as expenditure until such expenditure is either authorised by Parliament, recovered from a third party, or funded from the following year's appropriation.

1.4 Assets

Physical assets (fixed assets, moveable assets and inventories) are written off in full when they are paid for and are accounted for as expenditure in the income statement. The balance sheet therefore excludes physical assets unless stated otherwise.

1.5 Receivables and payables

Receivables and payables are not normally recognised under the cash basis of accounting. However, receivables and payables included in the balance sheet arise from cash payments which are recoverable and cash receipts which are due to either the National Revenue Fund or another party.

2 Comparative figures

The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting in terms of the Public Finance Management Act.

3 Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised, irregular, and fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is either recovered, authorised by Parliament, or set off against future voted funds.

4 Debt write-off policy

Debts are considered for write-off when it is certain that recovery is not possible and that maintaining such debts on the books is not cost-effective because recovery would be uneconomical or would cause undue hardship to the debtor or his or her dependants.

Report of the Audit Committee

Statistics South Africa

In accordance with the requirements of the Public Finance Management Act, no. 1 of 1999, the first Audit Committee for Stats SA was established with the appointment of audit committee members by the Minister of Finance in September 2000. The Audit Committee currently comprises three external (non-executive) members and the Accounting Officer (executive). The Accounting Officer is responsible for the implementation of any recommendations made by the audit committee.

As an independent advisory function the Audit Committee assists management in ensuring sound management practices and financial controls by:

- objectively reviewing and where necessary making recommendations on, inter alia, the following:
 - the effectiveness of internal controls;
 - the scope of the audit plan;
 - the action taken by management on reported deficiencies;
- regularly reviewing the financial position and controls in place; and
- reviewing the annual financial statements before the Accounting Officer approves them.

The Audit Committee gave attention to the following matters at its two meetings held to date:

- evaluation and approval of the Internal Audit and Audit Committee Charters;
- evaluation and approval of a Fraud Prevention Plan;
- reviewing of the audit function and activities;
- reviewing of internal controls;
- reviewing the readiness of Stats SA to effectively undertake Census 2001.

The Audit Committee is satisfied with the progress made by the newly established Internal Audit Division and believes that it can be of great assistance to management in ensuring that effective controls exist and are adhered to. The Audit Committee commits itself to assisting management in effectively discharging their duties.

Income statement

for the year ended 31 March 2001

Statistics South Africa

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Previous year		Note	Current year		
Actual	Income		Actual	Voted amount	Variance Over/(under) collection
117 283	Voted funds		202 785	282 982	(80 197)
8 092	Other receipts	1	349	-	349
<u>125 375</u>	Total income		<u>203 134</u>	<u>282 982</u>	<u>(79 848)</u>
	Expenditure		Actual	Voted amount	Variance Under/(over) expenditure
100 528	Expenditure		205 315	282 982	77 667
<u>24 847</u>	Net surplus /(deficit) for the year		<u>(2 181)</u>	<u>-</u>	<u>(2 181)</u>
			Actual		
8 092	Income transferable to Revenue Fund	2	349		
16 755	Voted funds to be surrendered to the Revenue Fund /(deficit)		(2 530)		
<u>24 847</u>			<u>(2 181)</u>		
	Expenditure per programme	3	Actual	Voted amount	Variance Under/(over) expenditure
24 538	Programme 1: Administration		35 750	41 032	5 282
71 302	Programme 2: Statistical Services		97 687	105 416	7 729
4 540	Programme 3: Population Census		69 539	136 383	66 844
119	Programme 4: Auxiliary and Associated Services		100	151	51
100 499			203 076	282 982	79 906
29	Authorised losses		2 239	-	(2 239)
<u>100 528</u>	Total expenditure		<u>205 315</u>	<u>282 982</u>	<u>77 667</u>
	Expenditure per standard item		Actual		
63 888	Personnel expenditure		80 024		
13 974	Administrative expenditure		33 748		
1 948	Inventory		10 722		
9 862	Equipment	4	43 460		
249	Land and buildings	5	233		
9 150	Professional and special services	6	34 427		
-	Transfer payments	7	-		
1 457	Miscellaneous	8	2 701		
<u>100 528</u>			<u>205 315</u>		
	Economic classification of expenditure		Actual	% of total	
9 862	Capital expenditure		32 506	15,83	
90 666	Current expenditure		172 809	84,17	
<u>100 528</u>	Total		<u>205 315</u>	<u>100,00</u>	

(all figures R 000 unless otherwise indicated)

Notes to the Income statement for the year ended 31 March 2001

Statistics South Africa

1 Other receipts

Description	Actual	Voted amount	Variance Over/ (under) collection
Departmental revenue	349	-	349
Total	349	-	349

1.1 Departmental revenue

Nature of Revenue	Amount
Departmental income	199
Previous year expenditure written back	54
Commission on debit orders	48
Interest earned	4
Stale cheques	41
Waste paper	3
Total	349

2 Income transferable to Revenue Fund

Description	Actual
Revenue transfers i.r.o. previous year	1 755
Revenue transfers i.r.o. current year	313
Current year revenue transfers outstanding	36
Total	349

(all figures R 000 unless otherwise indicated)

3 Expenses per programme and explanation of material differences

	Actual	Voted	Variance
Programme 1: Administration	35 750	41 032	5 282
Sub programme: Executive Management	4 096	6 254	2 158
Sub programme: Corp. Service	31 654	34 778	3 124
Programme 2: Statistical Services	97 687	105 416	7 729
Sub programme: Economic Statistics	29 201	35 489	6 288
Sub programme: Demography & Social Stats	-	-	-
Sub programme: National Accounts	5 351	7 667	2 316
Sub programme: Household Surveys	30 600	29 639	(961)
Sub programme: Research & Development	6 571	6 955	384
Sub programme: Provincial Services	19 751	19 520	(231)
Sub programme: Management	6 213	6 146	(67)
Programme 3: Population Census	69 539	136 383	66 844
Sub programme: Planning and Operations	12 073	24 455	12 382
Sub programme: GIS & Mapping	28 047	79 405	51 358
Sub programme: Processing	9 885	4 136	(5 749)
Sub programme: Dissemination	933	1 896	963
Sub programme: Administration	18 601	26 491	7 890
Programme 4: Auxiliary and Associated Services	100	151	51
Sub programme: Statistical Council	100	151	51
Total (all programmes)	203 076	282 982	79 906
Authorised losses	2 239	-	(2 239)
Total Expenditure	205 315	-	77 667

Explanation of material differences

Programme 1: Administration

Savings were generated under Programme 1 mainly because of vacant posts that were not filled and a management information system that was not procured. The post of Statistician-General was only filled from January 2001 and the post of Deputy-Director General remains vacant. This is due to the appointment of a new head of department.

Programme 2: Statistical Services

The saving was due to the non-filling of vacant posts and on administrative expenditure and professional services. A decision was taken to not enter into any long-term commitments until the appointment of the Statistician-General, which only took place from January 2001.

Programme 3: Population Census

The saving on the Census was realised because of certain activities being delayed. This was due to the use of new methodologies and technology.

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4 Equipment

Description	Actual
Current (Rentals, maintenance and sundry)	10 954
Capital	32 506
Total	43 460

5 Land and buildings

Description	Actual
Current expenses	
Lease of parking bays	233
Total	233

6 Professional and special services

	Actual
Auditors' remuneration	455
Repair services	676
Consulting fees	17 437
Aerial photography	3 074
Computer services	5 928
Survey allowance	6 552
Other	305
Total	34 427

7 Transfer payments

Transferee	Actual	Voted amount	Variance Under/ (over) expenditure
Trading account	-	1	1
Total	-	1	1

(all figures R 000 unless otherwise indicated)

8 Miscellaneous

	Actual
Long-term service watch	2
Claims against the State	1
Stabilisation fund	458
Remissions, refunds and payments made as an act of grace	4
Gifts by the State	1
Debts written off	2 235
Total	2 701

8.1 Long-term service watches

Made to	Purpose	Value
Hermien Rodrigues	Gift watch for long-term service of 30 years	1
Elaine Janse van Vuuren	Gift watch for long-term service of 30 years	1
Total		2

8.2 Claims against the State

Beneficiary	Reason for payment	Amount
P Gildenhuys	Damage to personal vehicle on State property	1
Total		1

8.3 Remissions, refunds and payments made as an act of grace

Beneficiary	Reason for payment	Amount
D September	Personal baggage stolen from government vehicle while on official duty	2
M O Thothela	Clothing stolen from hijacked government vehicle while on official duty.	2
Total		4

8.4 Gifts by the State

Made to	Purpose	Value
AusAid	Goodwill gesture	1
Total		1

8.5 Debts written off

Employee debt	Most employee debt was incurred by temporary census staff during the undertaking of Census '96. The debts mainly arose because of inadequate financial skills in the census regional and provincial offices to manage and reclaim advances granted for travelling expenditure and because of damages incurred to motor vehicles by temporary staff, who could not afford to repay their debts because of their unemployed status. Many debtors became untraceable.	2 235
Total		2 235

9 Receipts from other departments

Name of department	Nature of receipt	Amount
Department of Agriculture	To carry out an agricultural survey	5 000
Department of Transport	To carry out a transport survey	794
Total		5 794

10 Payments to other departments

Name of department	Nature of payment	Amount
Department of Transport	Contribution to the purchase of motor vehicles	5 000
South African Revenue Service	Development of Business Register	1 213
Total		6 213

Cash flow statement

for the year ended 31 March 2001

Statistics South Africa

	Note	
Cash flows from operating activities		
Net cash flow from operating activities excluding capital items	1	30 325
Cash flows from investing activities		(32 506)
Purchase of plant and equipment		(32 506)
Net cash flows from operating and investing activities		(2 181)
Cash flows from financing activities		(17 689)
Movements on receivables, prepayments, advances, payables and provisions	2	(17 689)
Net decrease in cash and cash equivalents		(19 870)
Cash and cash equivalents at beginning of period	3	(7 140)
Cash and cash equivalents at end of period	4	(27 010)

(all figures R 000 unless otherwise indicated)

Notes to the Cash flow statement for the year ended
31 March 2001

Statistics South Africa

1 Net cash flow from operating activities excluding capital items

Net deficit as per Income Statement	(2 181)
Deduct from net deficit:	
Purchase of capital items	32 506
Net cash flow from operating activities excluding capital items	30 325

2 Movement on receivables, prepayments, advances, payables and provisions

Finance generated by decreasing receivables	4 605
Finance required to increase prepayments and advances	(2 513)
Finance required to decrease revenue to be surrendered	(1 719)
Finance required to decrease payables	(958)
Finance required to decrease voted funds to be surrendered	(17 104)
Net funds required to finance receivables and payables	(17 689)

3 Cash and cash equivalents at beginning of period

Paymaster general account	(7 155)
Cash with commercial banks	15
Total	(7 140)

4 Cash and cash equivalents at end of period

Paymaster general account	(27 102)
Cash with commercial banks	92
Total	(27 010)

Balance sheet

as at 31 March 2001

Statistics South Africa

Previous year		Note	Current year
Assets			
36 308	Current assets		14 346
36 135	Unauthorised, irregular, and fruitless and wasteful expenditure	1	36 135
(7 140)	Cash and cash equivalents	2	(27 010)
6 624	Receivables	3	2 019
689	Prepayments and advances	4	3 202
36 308	Total assets		14 346
Liabilities			
36 308	Current liabilities		14 346
1 755	Revenue to be surrendered		36
16 755	Voted funds to be surrendered		(2 530)
17 798	Payables	5	16 840
36 308	Total liabilities		14 346

(all figures R 000 unless otherwise indicated)

Notes to the Balance sheet as at 31 March 2001

Statistics South Africa

1 **Unauthorised, irregular, and fruitless and wasteful expenditure**

1.1 **Unauthorised expenditure in respect of previous years not yet approved**

Year disallowed	Incident	Amount
1995/96	Overspending on Statistics Council	13
1996/97	Overspending on Statistics Council	8
1997/98	Overspending on Census 1996	36 114
Total all unauthorised, irregular, and fruitless and wasteful expenditure		36 135

2 **Cash and cash equivalents**

Description	Amount
Paymaster General Account	(27 102)
Cash with commercial banks	92
Total	27 010

2.1 **Paymaster General Account**

Balance as per National Accounting Office	(17 482)
Add: Outstanding deposits	72
Sub total	(17 410)
Deduct:	9 692
Orders payable	860
PMG adjustment account	(761)
Electronic funds payable	9 593
Balance above	(27 102)

(all figures R 000 unless otherwise indicated)

3 Receivables

Description	Amount
Trade debtors	1 372
Staff debts	512
Other loans and debts	135
Total	2 019

3.1 Age analysis

Less than one year	1 852
One to two years	119
More than two years	48
Total	2 019

3.2 Included above are the following amounts due by national departments:

Name of department	Amount
Unemployment Fund	50
Department of Labour	20
Gauteng Provincial Government	8
Correctional Services	17
Provincial Government of KwaZulu-Natal	1
South African Revenue Service	9
Department of Agriculture	14
Department of Health	15
Total	134

4 Prepayments and advances

Nature of prepayments/advances	Amount
Transport advances	207
Cash floats for household survey projects	2 139
Cash floats for Census 2001	300
Standing petty cash	50
Advance to SARS for Business Register development	506
Total	3 202

5 Payables

Description	Amount
Deductions due to institutions	776
Payable to suppliers	657
Collections for Trading Account	769
Advances from other institutions	14 577
Other	62
Total	16 840

5.1 Included in payables above are the following amounts due to national departments:

Name of department	Amount
Department of Agriculture	2 742
Department of Health	59
Department of Trade and Industry	3 342
Department of Transport	1 238
Department of Safety and Security	429
Total	7 810

6 Contingent liabilities

Liable to	Nature of contingent liability	Amount
Financial institutions	Housing guarantees	1 601
Total		1 601

Statement of foreign aid assistance received

sixty-seven

31 March 2001

Statistics South Africa

Source of funds	Intended use	Amount received	Amount spent	Balance unspent/ (over spent)
Norway	Time use and gender analysis	4 462	4 294	168
Switzerland	Local government capacity building	3 700	985	2 715
Sweden	SIDA <i>ad hoc</i> projects	641	236	405
DFID	October household survey	7 403	5 983	1 420
		16 206	11 498	4 708

Value received in kind

Source of foreign aid	Intended use	Value
SIDA	Institutional co-operation	6 300
Total		6 300

Performance information on use of assistance

Management training from Stats Sweden in the Department's provincial offices. Training on financial statistics on local government from Switzerland. For the first time in South Africa, a survey on time use and gender analysis from Norway.

Pending applications for assistance

Source of assistance	Intended use	Amount
Australia	Management training	1 000
Canada (CIDA)	Institutional strengthening	3 000
Total		4 000

(all figures R 000 unless otherwise indicated)

Management report

for the year ended 31 March 2001

Dissemination and Marketing Trading Account

Report by the Accounting Officer to the Executive Authority and
Parliament of the Republic of South Africa

1 General review of the state of financial affairs

The trading account was implemented as from April 2000. The accounts are kept on an accrual basis. The main purpose of the trading account is to market and sell the publications of the Department. The reason for the trading account is to generate funds to cover the costs of marketing the publications. The trading account had a surplus of R782 089,82 at the end of the 2000/01 financial year.

Sales during the financial year totalled R2,610 million. The cost of these sales equalled R209 000. Operating expenditure was R1,622 million. Interest of R3 000 was earned on the bank account.

Sales consisted of departmental publications and electronic tables.

2 Tariff policy

All tariffs were approved by the Treasury. The prices are generally charged at a market-related rate. Sales take place through a trading account that was started up during the 2000/01 financial year.

3 New/proposed new activities

A new pricing policy and a marketing plan for Census 2001 will be developed. The future existence and strategies around the trading account will be examined in the light of the Department's restructuring.

Approval

The attached annual financial statements set out on pages 74 to 76 have been approved by the Accounting Officer.



Mr P J Lehohla

12 July 2001



AUDITOR-GENERAL

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Report of the Auditor-General

*on the financial statements of the Statistics South Africa:
Dissemination and Marketing Trading Entity
for the year ended 31 March 2001*

Dissemination and Marketing Trading Account

1 Audit assignment

The financial statements as set out on pages 74 to 76, for the year ended 31 March 2001, 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). These financial statements, the maintenance of effective control measures and compliance with the relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements and the compliance with relevant laws and regulations, applicable to financial matters, based on the audit.

2 Regularity audit

2.1 Nature and scope

2.1.1 Financial audit

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

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

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

2.1.2 Compliance audit

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

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

2.2 Qualification

2.2.1 Financial audit

(a) Non-compliance with GAAP

According to section 40(1)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), read with treasury regulation 18.4.1, trading entities must prepare financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP). The financial statements do not comply with these requirements.

Examples of non-compliance with GAAP include insufficient disclosure regarding the nature of expenses in the financial statements (e.g. staff costs), a statement of changes in equity was not compiled, interest received is not disclosed separately on the face of the cash flow statement, movements of accounts payable and receivable are shown under cash flows of financing activities instead of operating activities, no inventory is disclosed on the statements and no provision has been made for audit fees.

(b) Fixed assets

No fixed asset register is maintained resulting in the non-confirmation of the completeness and existence of assets to the value of R106 000 reflected in the financial statements. Furthermore, depreciation was not provided for and disclosed.

2.3 Audit opinion

2.3.1 Qualified opinion: Financial audit

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 2.2.1, the financial statements fairly present, in all material respects, the financial position of Statistics South Africa: Dissemination and Marketing Trading Account at 31 March 2001 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

2.3.2 Unqualified opinion: Compliance audit

Based on the audit work performed, nothing has come to my attention that causes me to believe that material non-compliance with laws and regulations, applicable to financial matters, has occurred.

3 Emphasis of matter

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

3.1 Internal Control

During the audit certain internal control shortcomings became evident. These relate to a lack of adequate segregation of duties, expenditure that is not being verified before the transaction is recorded and invoices that are not pre-numbered.

3.2 Late submission of financial statements

Section 40(1)(c)(i) of the PFMA requires financial statements to be submitted to the Auditor-General within two months (by 31 May) after the end of the financial year. The financial statements were signed by the accounting officer and submitted for audit purposes on 31 May 2001. These financial statements required changes to be acceptable for audit purposes and were handed back to the accounting officer to effect those changes. The corrected financial statements were signed by the accounting officer and resubmitted for audit purposes on 12 July 2001. The resubmission date has been recognised as the submission date. Therefore, this is considered to be a late submission and technically in non-compliance with the requirements of the PFMA.

4 Appreciation

The assistance rendered by the staff of the Statistics South Africa: Dissemination and Marketing Trading Entity during the audit is sincerely appreciated.



G R Withöft
for Auditor-General

Pretoria
14/08/2001

Statement of accounting policies and related matters

for the year ended 31 March 2001

Dissemination and Marketing Trading Account

1 Basis of accounting

The financial statements have been prepared on an accrual basis in accordance with the under-mentioned policies which have been applied consistently in all material respects.

1.1 Underlying assumptions

Under the accrual basis of accounting, transactions and other events are recognised when the transaction or event occurs. This basis of accounting measures financial results for a period on the net trading results.

The statements have been prepared on the historical cost basis and reliance is placed upon the fact that the trading account is a going concern.

1.2 Revenue

Revenue collected by the Trading Account has been retained in the account unless required to be surrendered to the National Revenue Fund.

1.3 Expenditure

The income statement includes current expenditure only. Unauthorised expenditure is not accounted for as expenditure until such expenditure is either authorised by Parliament, recovered from a third party, or funded from the following year's appropriation.

1.4 Assets

Physical assets have not been depreciated.

1.5 Receivables and payables

Receivables and payables are reflected as at 31 March 2001.

2 Comparative figures

No comparative figures are shown due to the Trading Account having been implemented during the financial year.

3 Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised, irregular, and fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is either recovered, authorised by Parliament, or set off against future revenue.

4 Debt write-off policy

Debts are considered for write-off when it is certain that recovery is not possible and that maintaining such debts on the books is not cost-effective because recovery would be uneconomical or would cause undue hardship to the debtor or his or her dependants.

Income statement

for the year ended 31 March 2001

Dissemination and Marketing Trading Account

	Note			
Income		Actual	Voted amount	Variance Over/(under) collection
Sales	1	2 610	-	2 610
Interest received	1	3	-	3
Total income		2 613	-	2 613
Expenditure		Actual	Voted amount	Variance Under/(over) expenditure
Cost of Sales		209	-	209
Operating expenditure		1 622	-	1 622
Total expenditure		1 831	-	1 831
Net surplus for the year		782		782

Notes to the Income statement for the year ended 31 March 2001

1 Sales

Description	Actual	Voted amount	Variance Over/ (under) collection
Sales of departmental publications and electronic tables	2 610	-	2 610
Interest on bank account	3	-	3
Total	2 613	-	2 613

(all figures R 000 unless otherwise indicated)

Cash flow statement

for the year ended 31 March 2001

Dissemination and Marketing Trading Account

	Note	
Cash flows from operating activities		
Net cash flow from operating activities excluding capital items	1	782
Cash flows from investing activities		(106)
Purchase of plant and equipment		(106)
Net cash flows from operating and investing activities		676
Cash flows from financing activities		(676)
Movements on receivables, prepayments, advances, payables and provisions	2	(676)
Net decrease in cash and cash equivalents		Nil
Cash and cash equivalents at beginning of period		Nil
Cash and cash equivalents at end of period		Nil

Notes to the Cash flow statement for the year ended 31 March 2001

1 Net cash flow from operating activities excluding capital items

Net surplus as per Income Statement	782
Net cash flow from operating activities excluding capital items	782

2 Movements on receivables, prepayments, advances, payables and provisions

Finance required to increase receivables	(2 613)
Finance generated to increase payables	1 937
Net funds required to finance receivables and payables	(676)

(all figures R 000 unless otherwise indicated)

Balance sheet

at 31 March 2001

Dissemination and Marketing Trading Account

	Note	
Assets		
Current assets		2 613
Debtors	1	2 613
Fixed assets		106
Computer equipment		67
Office equipment		7
Furniture and fittings		32
Total assets		2 719
Liabilities		
Current liabilities		1 937
Creditors		1 937
Undistributed Income		782
Profit		782
Total liabilities		2 719

Notes to the Balance sheet at 31 March 2001

1 Debtors

	Amount
Trade debtors	194
Stats SA	2 419
Total	2 613

1.1 Age analysis

Less than one year	2 613
One to two years	-
More than two years	-
Total	2 613

(all figures R 000 unless otherwise indicated)

Provincial offices

Province	Physical address	Postal address	Telephone	Fax
Eastern Cape (Bisho)	Chungwa House 2 nd floor Pick & Pay Centre Bisho	PO Box 93 Bisho 5605	(040) 635 0432	(040) 635 0449
Free State (Bloemfontein)	SA Eagle Building Maitland Street 3 rd floor Bloemfontein	Private Bag X20541 Bloemfontein 9300	(051) 447 7766	(051) 447 8402
Gauteng (Johannesburg)	Carlton Tower Suite 4801 Commissioner Street Johannesburg	PO Box 7798 Johannesburg 2000	(011) 331 0122	(011) 331 0260
KwaZulu-Natal (Durban)	John Ross House Podium Level 1 Victoria Embankment Durban	Private Bag X54337 Durban 4000	(031) 332 0436	(031) 337 5846
Mpumalanga (Nelspruit)	17 Henshall Street Jaconel Building 2 nd floor Nelspruit	Private Bag X11290 Nelspruit 1200	(013) 754 0600	(013) 755 2898
Northern Cape (Kimberley)	New Public Building 4 th floor Corner Knight/Stead Street Kimberley	Private Bag X5053 Kimberley 8300	(053) 833 3691	(053) 832 5407
Northern Province (Pietersburg)	Wydom Park 23 Rabie Street Pietersburg	Private Bag X9441 Pietersburg 0700	(015) 295 3300	(015) 295 3579
North West (Mmabatho)	Mega City Ground Floor East Gallery Mmabatho	PO Box 23213 Mafikeng 2745	(018) 384 2877	(018) 384 2832
Western Cape (Cape Town)	132 Adderley Street 9 th floor Cape Town	Private Bag X9072 Cape Town 8000	(021) 423 1040	(021) 4221 741