

Statistics South Africa Annual report 2002/03



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Statistics South Africa
Annual report 2002/03

Statistics South Africa
2003

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 for the period 1 April 2002 to 31 March 2003.



PJ Lehohla
Statistician-General



Mr T Manuel
Minister of Finance

Authorised date of publication: September 2003



Pali Lehohla
Statistician-General

SG's introductory message

When I assumed duty as Statistician-General in November 2000, I promised that I would focus on four areas critical to the production of official statistics and the promotion of their use. These are:

- to improve the body of data and information which is relevant, accurate and timely (official statistics);
- to create a spatial frame for the data (geography);
- to create an infrastructure and architecture for the collation, management and dissemination of these statistics (informatics); and
- to establish an institutional framework within which the collection and production of that data and information takes place (National Statistics System).

To achieve these goals, training of staff remained central, because of my fervent conviction that lasting transformation and sustainability in this enterprise is rooted in radically improving levels of competency in the organisation. To this end we adopted the motto of 'Quality through people'.

Looking back on my thirty months in this leadership position, I am pleased to report the scorecard on the march towards these priority areas and the challenges that accompanied this march.

Training: The first crop of students that we sent to the Institute of Statistics and Applied Economics (ISAE) at Makerere University and the East Africa Statistics Centre (EASTC) have completed their studies in official statistics and have rejoined the organisation. Advanced methodology training as well as the Statistics in Action programmes have continued in the organisation, while a new training initiative in data mining and data fusion started with the University of the Witwatersrand. The strategy document on training at different levels, including Continuous Professional Development (CDP) and In Service Training, has also been concluded. Based on the pioneering training model with the office of Statistics in North West ten years ago, an expanded Statomet programme with the University of Pretoria will start in February 2004. Furthermore, we are developing e-learning tools for statistics offices in the provinces as well as for other government departments that need statistical training. In collaboration with the Department of Education, we advised on materials for statistical training in schools. These developments have led not only to the trebling of the training budget to about 1% of the overall budget, but also to the reversal of the historical spending proportions on training from 75% on non-core topics, to 75% on statistical topics and 25% on non-core topics.

Statistical data: Statistical agencies worldwide are engaged in a continuous process of evaluating their existing data series, and introducing new collections required for better measurement. In the period under review we have introduced new collections and improved on the quality of the old. Notably, we have improved the quality of collections that cover the economic and functional classification of national and provincial government expenditure for national departments, provincial governments, extra-budgetary accounts and funds, universities and technikons and local government institutions, a hitherto less-known area of data collection which is particularly important for national institutions such as the Reserve Bank, and international bodies. Stats SA has conducted a census on non-financial municipal data for the first time. We have also introduced a more robust frame from which we draw samples for economic statistics. As a result, the Survey of Employment and Earnings (SEE) has become progressively more comparable with the Labour Force Survey. A flagship product, in the form of the second census in a democratic dispensation, has been delivered. The data provide a second anchor point upon which the democratic state can gauge its performance and through which it can obtain a detailed understanding of what still needs to be done. As regards quality, the Consumer Price Index remains a fresh reminder of the difficulties and challenges that lie ahead, and the bold steps required to overcome them. As a response to this problem, I have established a Review Task Team to review all the organisation's products and prioritise improvements.

Geography: Providing a spatial framework is a *sine qua non* for statistical work. It is not only good for statistics but critical for measuring and monitoring social progress. In this regard, through preparatory work for the census, we have provided a fundamental dataset that will support the spatial framework for planning. Geography is one of the single most important instruments for data integration, and now South Africa has this framework. The challenge ahead is to maintain and update this national treasure for increased utilisation and for posterity. Through our collaborative efforts with the Departments of Land Affairs, Communication, and Provincial and Local Government, the Municipal Demarcation Board and the Independent Electoral Commission, we should be in a strong position to meet this challenge.

Informatics: Statistics and information technology cannot be separated. A conscious effort to exploit advances in technology to enable greater utilisation of statistics is a strategic thrust of the agency. In this regard, we have invested in a datawarehouse and a management model that aims to map the support structures on the statistical production processes. The first phase of the datawarehouse is a dissemination module consisting of PX-Web and SuperWeb, where users can access data and create their own tables on the web. The 2001 Digital Census Atlas is yet another innovation, also to be on the web. Users will be able to create maps on various topics, and in due course overlay those maps with their own themes of interest. Furthermore, in collaboration with the South African Revenue Services, and the Departments of Trade and Industry, and Labour, we now have for the first time an enviable integrated business register that boasts approximately two million businesses. We have acquired state-of-the-art imaging technology for census processing, which should benefit many departments such as Home Affairs. The challenges ahead are the ability to carry the load of data with the requisite speed over the net, and to address issues of dormancy, truancy and data security. We will be seeking resolutions on the issues of speed and security with the State Information Technology Agency (SITA), and the issues of dormancy, truancy and security with the other partners.

National Statistics System: A major challenge for the country is the creation of a national statistics system, so that producers, users and suppliers of statistics can have confidence in and greater use from the statistics produced. Lord Moser, former head of the National Statistics Office in the UK, has said that statistics is too important to be left to statisticians. The success of the system depends in the main on advocacy and transparency, but more importantly in the substantial improvement of quality and subsequent public confidence in the products. We have created a quality and methodology entity in the organisation and a framework for organising our work on quality. To date we have seen increased public participation in and response to statistical

matters. Although at times such response relates to matters of quality, there is evidence of a growing awareness in the public mind on the usefulness of statistics and its importance to public life. A century ago, Wells predicted that one day statistics would be as important to citizenry as is the ability to read and write.

South Africa's unique position of having conspicuous characteristics of both a developed and a developing country enable her to manage adaptive change in the production of statistics. In a way South Africa is a microcosm of the world polity of statistics. This makes us something of a laboratory of the world, where the demands of a modern democracy and economy often outpace the capacity and resources subsisting in a developing society. As Edward Wilson, one of the world's greatest living scientists, has said, "The greatest enterprise of the mind has always been, and always will be, the attempted linkage of the sciences and humanities." The application of this linkage to public policy is at the core of official statistics, where an ongoing dialectic is taking place between the perceived understanding of society, and the quantitative representation of that reality.

The implementation of the new Stats SA structure in May 2002, and the finalisation of a new strategic plan in March 2003, provided the platform from which we can focus on the core mandates and priorities. This set the scene for improvements in the governance of the department. Many of the senior management positions have been filled and benefits are already flowing from this increased management capacity. Unfortunately a suitable incumbent has not yet been found for three of the five Deputy Director-General positions. Following our disclaimed audit report last year, many improvements have been made to our financial and management processes. The development of the management information system should provide further benefits in the years to come.

I wish to acknowledge the contribution and support the agency received from the Minister, the Statistics Council and the Audit Committee.



Pali Lehohla
Statistician-General

Vision and mission statement

Statistics South Africa's vision is:

to become a quality production and coordination service for official statistics, providing leadership in the promotion of access to and utilisation of statistical information to support evidence-based planning and decision-making in order to advance socio-economic development.

The mission of the Department is:

to collect, process, analyse and disseminate high quality statistical data and information and coordinate the National Statistics System, in support of economic growth, socio-economic development, democracy and good governance.

Legislative mandate

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

Voted Funds

Appropriated by Vote 13: R360,234 million

Responsible Minister: Minister of Finance

Accounting Officer: Statistician-General

Aim of the Vote

Statistics South Africa aims to provide relevant, timely, accurate and accessible official statistics to inform socio-economic development, democracy and good governance.



Dr Hilary Southall, Chair of the
Statistics Council

From the Chair of the South African Statistics Council

The South African Statistics Council is an independent body whose role is to advise the Minister and the Statistician-General on any matter regarding the collection, processing, analysis, documentation, storage and dissemination of statistics, including those relating to the taking of a population census. The Council comprises a broad range of users and technical advisers as well as one member from each province.

The Council is comprised of the following members:

Dr. HA Southall (Chair) * **	
Prof. TZ Mthembu (Deputy Chair)	
Ms. LNN Bhengu Baloyi	KwaZulu-Natal
Prof. R Dorrington *	
Mr. L Fouche	Western Cape
Prof. JS Galpin (Chair of the Census Sub-committee) * **	
Mr. MJ Jack	Eastern Cape
Dr. SJ Khosa (resigned 2002) *	
Dr. MA Lesaoana **	
Dr. CW Loewald **	
Mr. JM Mamabolo	Limpopo
Ms. M Marais Martin	Northern Cape
Prof. JD May * **	
Mr. M McDonald	
Dr. CE Meth (Chair of the Economics and Labour Sub-committee) **	
Mr. N Mokhesi	Free State
Mr. CM Morolo	Gauteng
Mr. R Naidoo **	
Mr. JL Ngwenya (resigned 2002 to join Stats SA)	Mpumalanga
Prof. ME Nthangeni (resigned 2002 to join Stats SA) *	
Mr. FY Patel	
Prof. TB Pretorius	
Mr. JW Prinsloo **	
Prof. CE Simkins * **	
Mr. GE Tabane	North West

The Statistician-General is an ex officio member of the Council.

- * Member of the Census Sub-committee
- ** Member of the Economics and Labour Sub-committee

The main focus at Statistics South Africa during the period under review has been on the processing of the Census 2001 results. Although burdened by the enormous workload that taking a census involves, the organisation has managed its task successfully. At the same time, the organisation has begun to implement a new management structure and there have been innovations and advances in data collection and dissemination on all fronts.

For the Council, the period has emerged as one of cooperation with Stats SA, as we have jointly conducted intense debate and analysis concerning the examination and validation of the census data. This has signalled a positive experience on both sides. However, whether the pattern of literally hundreds of extra hours put in by members of the Statistics Council can be sustained, and whether this is a desirable model for a Council, is a matter for further consideration and debate. This is to be addressed following the release of the census, scheduled for July 2003. A further issue for debate is whether the next census should be held in 2006, or whether the resources, both financial and in terms of the capacity of Stats SA, might be better spent in other ways.

The process of Census 2001 has also highlighted the emphasis placed on transparency by the present Statistician-General. One of the major problems facing Stats SA is that of building trust between civil society and government in a country in which government has been largely distrusted in the past. There is no better way to do this than by Stats SA exhibiting complete openness and transparency.

Against these developments we need to recall the environment in which Stats SA has been struggling since 1994. From 1995 to 2000, Stats SA earned a reputation as the fastest transforming government department. The focus was on improving the timeliness and quality of outputs and restructuring efforts to include the former TBVC statistical agencies. While this rapid progress is applauded, it must be recognised that improvements were rapid and unsettling. A further restructuring in 2002/03, especially occurring as it did during the census, placed further stress on the organisation. The process of filling the top positions within the organisation has also been a slow process, due to the extreme shortage of relevant capacity within South Africa.

The Council now supports the Statistician-General in looking forward to a period of consolidation within Stats SA. The need for drastic increases in further training and capacity building at all levels of the organisation continues to concern us. Despite major advances in connection with the development of the Business Register, the Council continues to be concerned about the quality of economic statistics generally. We further support Mr Lehohla in identifying the areas of human resource and financial management as priority areas, and his determination to implement professional management at all levels of the organisation to supplement the many and varied existing skills.

Strategic overview

The development of Stats SA's first comprehensive strategic plan plotted the direction of the agency for the next five years and gave shape to what it wants to be (its vision), and how it should go about it (its mission). In this way, quality improvement has been incorporated in the strategy and cascaded to the operational level, enabling Stats SA to move towards making strategy and quality management part of the staff's daily work objectives. The strategic plan identifies six key themes that will transform official statistics in South Africa. The themes are:

- enhancing the quality of products and services;
- developing human capacity;
- enhancing statistical integration through geography and registers;
- transformation;
- refocusing statistical information in line with user requirements; and
- developing the National Statistics System.

During the year, progress was made in the implementation of some of these themes across the organisation. However, substantial challenges exist over the next few years.

Enhancing the quality of products and services

National statistical standards

Common standards are unquestionably a prerequisite for quality in statistical output. The problems identified in the CPIX and its subsequent revision are a stark reminder of the importance of rigorous methodology. Statistical standards concern concepts, definitions, classifications and methodologies. The newly formed Quality and Methodology division has led development in this area. Work has focused on the establishment of current best methods for sampling methodologies and maintenance, questionnaire design, and data processing and editing, and cross-organisational projects to promote quality.

A starting point for quality improvement

A primary consideration of statistical processes is the quality of the sampling frame, which provides the starting point for ensuring statistical accuracy. Stats SA has moved away from an irregular update of its previous Business address register and established a Business sampling frame comprising statistical units updated on a monthly basis from VAT information. Implementation of the improved sampling frame was prioritised and a number of new samples have already been drawn for economic series. In the forthcoming period all the economic series will have benefited from the improved coverage and accuracy provided by the new frame. This paves the way for further investigations into the extended use of administrative sources as a means of validating the quality of the frame, producing more efficient sample sizes and reducing the need for surveys.

Staff members attending a session during quality week



Systematic quality management

In May 2002, Stats SA management adopted principles for effective management of project work and quality. These principles are: the customer first, involving everybody, process orientation, prevention, decision-making based on facts, continuous improvement, and learning from others.

While the development of current best methods and quality systems is essential to the implementation of quality, the ability of staff to manage quality contributes significantly to the final outcome. Stats SA used the opportunity provided by National Quality Week in November 2002 to promote awareness of quality management. The programme included external speakers on subjects such as Batho Pele, and sessions where staff members were introduced to the concepts and practices of quality management from a process management approach. In total, 310 staff members participated in the week.

The technique of mapping processes to understand, manage and control their quality was tested during the processing phase of Census 2001. Representatives from different disciplines met almost daily to work on the quality of processes needed to produce the results of Census 2001. Considerable progress was made and this approach to managing quality will be continued in other parts of the organisation.

The way forward

One of the challenges facing Stats SA in moving towards a more systematic way of managing quality is to review the quality of statistical products. A review task team has been established to review Stats SA's outputs systematically, focusing mainly on the following three areas:

- the quality of Stats SA data and the identification of gaps in both data items and resources;
- the quality of statistical processes (process understanding, mapping, documentation, measurement and process control);
- the quality of available human resources (competence and allocation to critical processes).

The team will initially review the Consumer Price Index. After this, its work will extend to other areas of statistical production, starting with the Gross Domestic Product and its attendant data items, and their methods and sources.

Developing human capacity

A challenge for Stats SA remains improving the statistical competency of its staff and retaining the most competent staff. Through the development of its staff, Stats SA aims to ensure that it can sustain the accuracy and relevance of its outputs.

Internally directed capacity building

Responding to the need to start building statistical capacity, Stats SA moved beyond the country's borders to access suitable training in official statistics. So far, fifty-one staff members have benefited from training at institutions such as the Eastern Africa Statistical Training Centre (EASTC) in Tanzania, the Institute of Statistics and Applied Economics (ISAE) in Uganda, the University of Pennsylvania in the United States of America and Beacon House in Pakistan. In addition, some staff members enrolled at the University of the Witwatersrand. Stats SA's in-house MasterMaths programme prepared candidates for entry into these institutions. A rotation programme will be established to ensure that the skills acquired by students are successfully utilised in core areas of the organisation.

A further four staff members underwent training at the United Nations Bureau of Labour Statistics. They were trained on measuring employment and unemployment, analysing labour statistics and managing statistical programmes.

One of the objectives of Stats SA is to establish its own statistical training institute. With this in mind, the agency has developed a concept document for continuing professional development (CPD), which concentrates initially on statisticians, economists, geographical information system specialists and demographers.

Externally directed capacity building

In an international contribution to statistical literacy, Stats SA presented several papers on the subject of statistical education to almost five hundred participants from forty countries at the Sixth International Conference on Teaching Statistics (ICOTS 6) in Cape Town in September 2002. It was evident that Stats SA's initiatives in this regard are in line with international trends in statistical education.

A 'Census@School' was conducted in 2001 with the aim of enhancing statistical literacy in schools among learners and teachers. Once results are available, groups of teachers will be trained to use basic statistics from Census@School data to develop classroom activities and curriculum material. The Census@School data will be used in learning areas such as geography, mathematics and science. Through collaboration between Stats SA, the Department of Education and the Royal Statistical Society, learning aids and curriculum material are currently being produced.



The first group of students who returned from statistical studies in East Africa, with the Statistician-General and the group coordinator

Enhancing statistical integration through geography and registers

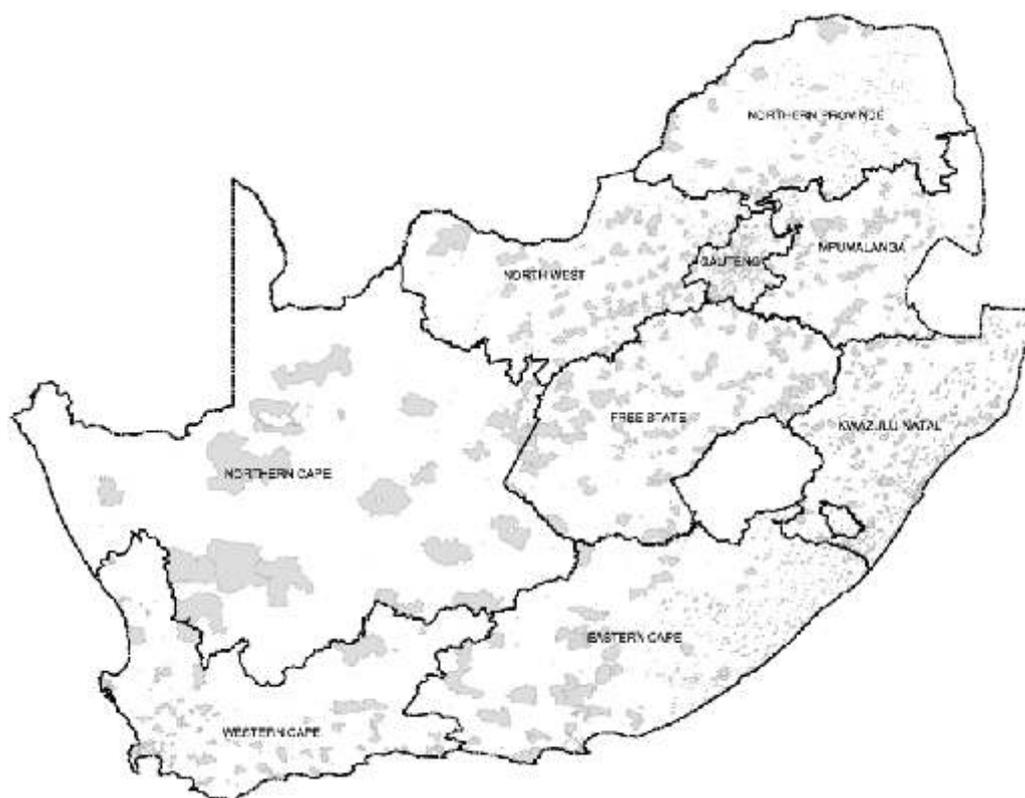
Geo-referencing of businesses

Statistical integration efforts focused on the geo-referencing of businesses on the business sampling frame. Preliminary tests were conducted to align the business information with geographical data. The objective for the forthcoming year is to geo-reference businesses up to municipal level. This will enable Stats SA to analyse the business performance of a specific area in terms of different industrial classifications.

Increasing the quality of socio-economic household surveys

With all enumerator areas electronically available on the Geographical Information System, a sampling frame for socio-economic household surveys has been established for all users. This electronically available geography asset provides an infrastructure for thematic maps, fieldwork maps and training in map reading. In turn, this support has enabled survey project managers to anticipate and identify methodological and other problems that may occur during the survey. This product is being used by internal and external clients, such as the Social Statistics component for the updating of the master sample, the Department of Transport for the national travel survey, and the Department of Health for their demographic and health survey. The availability and use of this facility will improve the coherence of national statistics.

Sample distribution of the National Travel Survey, 2003



Transformation

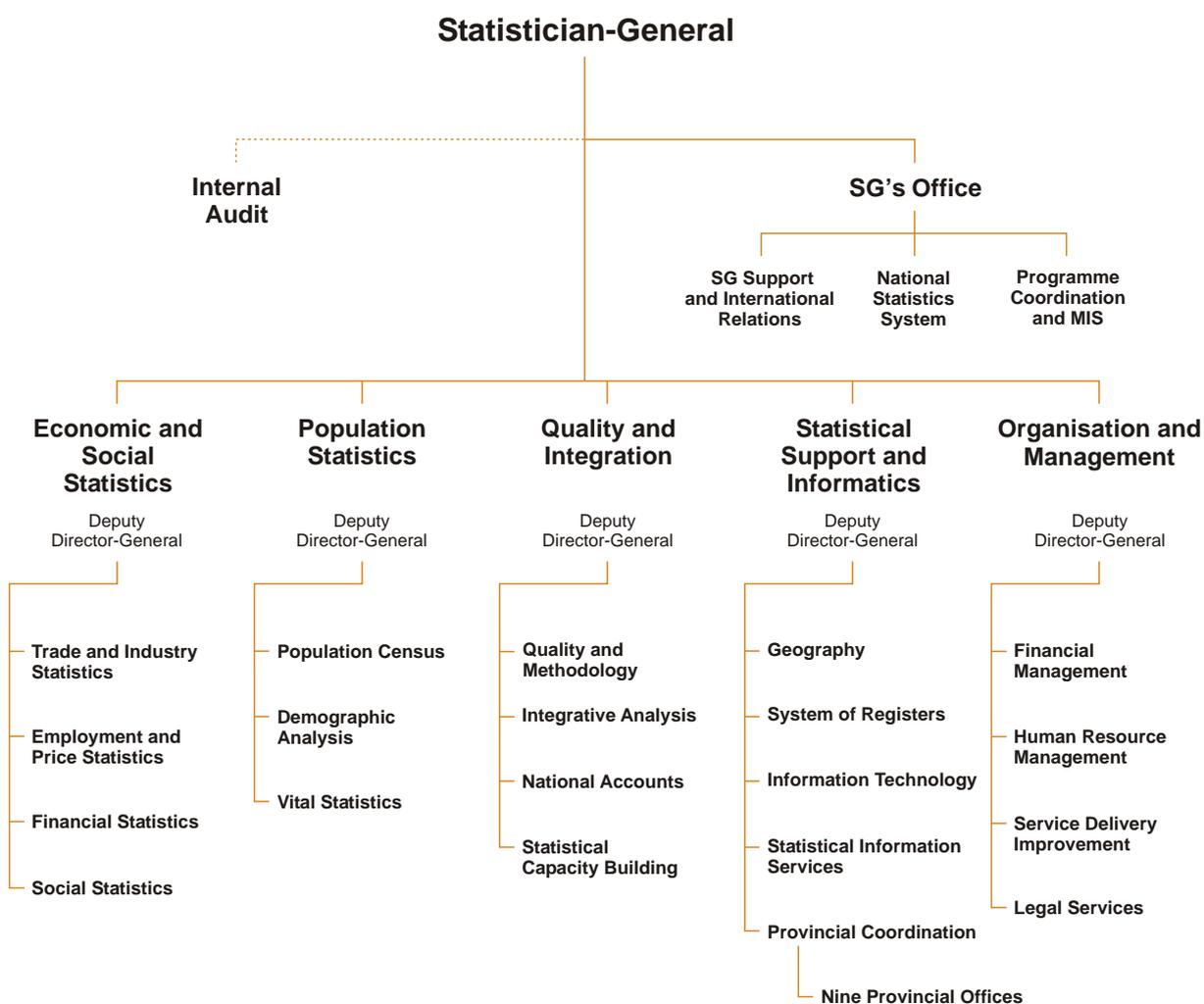
The new organisational structure

Following a comprehensive restructuring process, Stats SA adopted its new structure in May 2002 and implemented it in the following three phases:

- placement of staff in equivalent positions in the new structure;
 - lateral movement of staff into vacant positions; and
 - internal and external appointments, with priority given to filling higher-level positions.
- This phase is ongoing.

Two deputy directors-general and fifteen executive managers were appointed, substantially boosting the management capacity of the Department. The appointment of executive managers has strengthened the management of the organisation and facilitated information-sharing on important organisational issues. Through their involvement in cross-functional project teams, these managers are also moving staff members away from managing operations in isolation, towards working together to achieve outcomes.

The new structure is illustrated below.





Stats SA's top management team

Left to right: Pali Lehohla, Statistician-General;
Dr Gugu Gule, Deputy Director-General, Population Statistics;
Dr Ros Hirschowitz, Deputy Director-General, Quality and Integration

Senior management

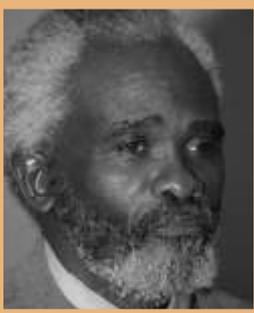
	<p>Patrick Naidoo B.Com. (Hons); M.Com.; Ph.D. <i>Financial Statistics</i></p>		
	<p>Calvin Molongoana B.Juris; Diploma in Project Management <i>Population Census Operations</i></p>		<p>Heston Phillips BA (Hons); M.Sc.; Ph.D.; Certificate in Management Development <i>Demographic Analysis</i></p>
		<p>John Kekovole BA (Hons); B.Phil.; M.Sc.; MA; Ph.D. <i>Population Census Inputs and Outputs</i></p>	<p>Precious Modiba BA; MA; Certificate in Epidemiology and Biostatistics <i>Health and Vital Statistics</i></p>
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	<p>Risenga Maluleke B.Sc. <i>SG Support and International Relations</i></p>		<p>Naas du Plessis B.Com. Accounting (Hons); AIMFO; CFE <i>Internal Audit</i></p>	

Better working conditions

Stats SA has a new home in the De Bruyn Park Building, having moved there between July and September 2002. The additional space provided by the new site is 3 944 square metres. The new open plan environment has proved beneficial to team communication and staff have settled in well. The personnel are spread over two buildings. The West block houses top management and the statistical production divisions, while the East block contains the support functions of Finance, Human Resources, Provisioning Administration, Information Technology and Service Delivery Improvement. Meeting rooms are managed centrally, providing much needed space for teamwork. Additional parking space was created for staff in the building. Hi-tech innovations include a new information technology system for increased handling speed through the latest Cat 6 cabling technology, and a sophisticated security system using access cards and strategically placed cameras.

Measuring staff satisfaction

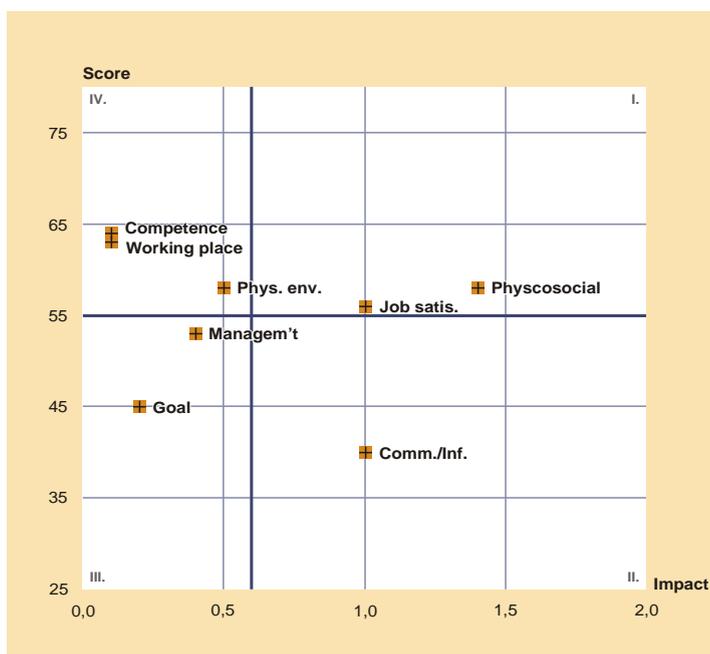
The annual staff opinion survey is an important barometer of the satisfaction levels of Stats SA's staff. The second staff opinion survey was conducted in June 2002. The 2001 survey pointed to the need to change the physical working environment, which resulted in the move to De Bruyn Park. The most recent survey highlighted the need for improved communication.

Stats SA Staff opinion survey 2002

Staff-Satisfaction-Index (SSI)	
Staff about working conditions	
Number of observations	1 303
Average score (index)	55
Average impact	0,6
R ²	0,53

Factor	Score	Impact
Communication/information	40	1,0
Job satisfaction	56	1,0
Competence and capacity	64	0,1
Goal and follow up	45	0,2
Management style	53	0,4
Physical working environment	58	0,5
Psychosocial conditions	58	1,4
Working place	63	0,1

SCB Statistiska centralbyrån
Statistics Sweden

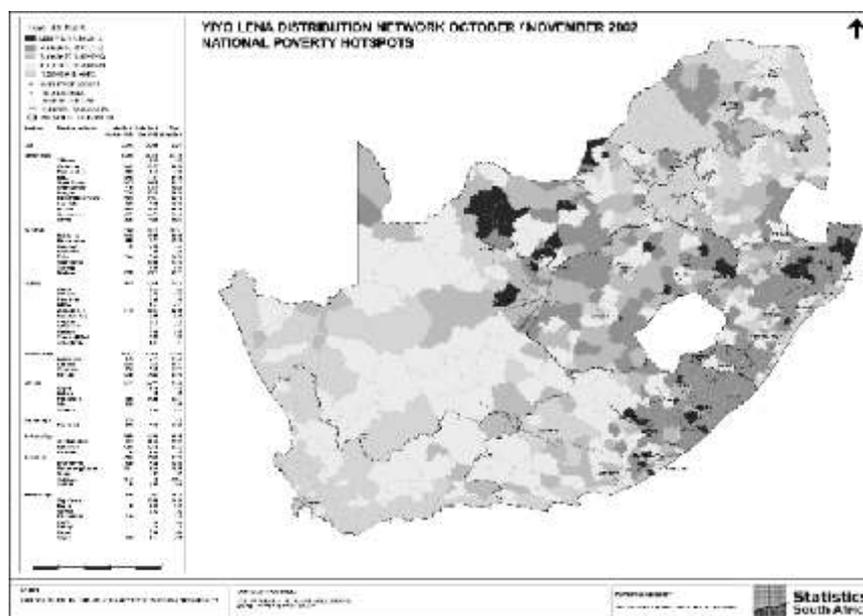


— = mean score and mean impact

Refocusing statistical information in line with user requirements

For statistics to be used effectively, it is absolutely necessary to determine the needs of users. Unfortunately, this is often neglected in the rush to meet deadlines. Examples of a re-orientation towards user needs is the re-alignment of development indicators to meet the information needs of planning and monitoring. The introduction of the general household survey to provide up-to-date information on socio-economic conditions of households, the development of a tourism satellite account for South Africa, and producing statistics for government departments such as the Departments of Agriculture and Transport are but some of the responses to user requirements.

In response to the massive increase in food prices during the year, government initiated the Yiyo Lena food distribution programme. Stats SA provided orientation maps of likely poverty 'hot spots' in the country which assisted the relevant departments in broadly identifying the places where food parcels may be most needed.



Map of national poverty hotspots for the Yiyo Lena food distribution project

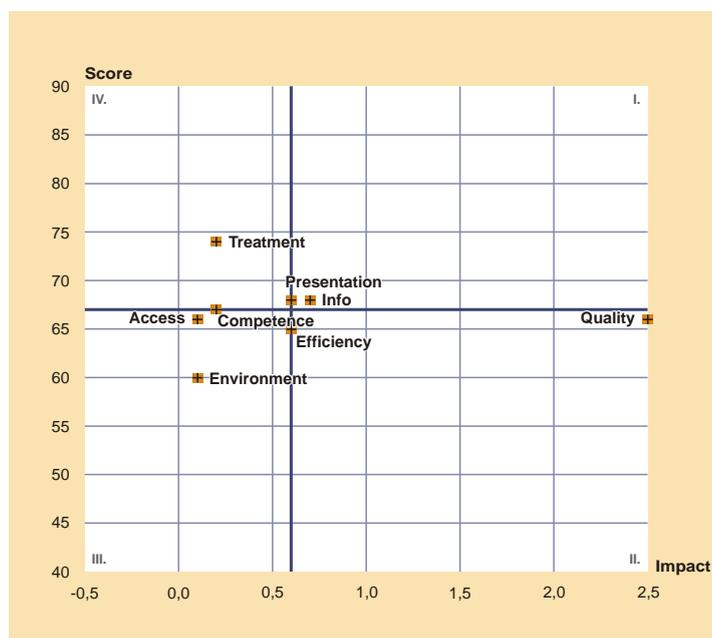


A user satisfaction survey, aimed at assessing the views of users on issues such as the quality and accessibility of Stats SA statistics, was conducted in May 2002. Results of the survey were presented to selected users and Stats SA management at a workshop in November 2002. The overall customer satisfaction index was 63, indicating that users are in general satisfied with the service they receive from Stats SA. Worth noting is that 'the quality of official statistics' was scored as having the highest impact (2,5), while the impact scores of the other factors ranged from 0,1 to 0,7. This implies that small improvements in the quality of official statistics will have a significant impact on overall customer satisfaction.

Customer satisfaction survey 2002

Customer-Satisfaction-Index (CSI)	
Number of observations	237
Average score (index)	67
Average impact	0,6
R ²	0,76

Factor	Score	Impact
Access/facility	66	0,1
Information channels	68	0,7
Presentation	68	0,6
Treatment	74	0,2
Competence	67	0,2
Efficiency	65	0,6
Environment	60	0,1
Quality of statistics	66	2,5



— = mean score and mean impact

Developing the National Statistics System (NSS)

The development of an integrated system of national statistics for South Africa to address the current mismatch between policy requirements and national statistical output is an overarching strategic goal of Stats SA.

Deliverables for the NSS division have been identified in the following areas:

- development indicators that may be used for measuring government performance and serve as a basis for policy evaluation, planning and decision-making;
- the creation of a management system for statistical information (MSSI) to provide stakeholders with effective, user-friendly access to indicators, and a national data warehouse to facilitate further analysis of data;
- the development of statistical capacity to ensure the sustainability of the NSS. The objective here is that every government department should have its own statistics unit capable of producing official statistics; and
- the assurance of quality and comparability in the production of national statistics.

Whilst some key policy-makers have accepted the NSS in principle, many have gone further and embraced it in practice. The activities of the NSS division are described in more detail in Programme One below.

Discussions on developing statistical capacity in the context of the NSS were initiated in several national departments, including Agriculture, Health and Education. Following consultations and preparations, the World Bank is ready to assist Stats SA in a complete audit of statistical capacity within certain departments. The audit will provide information on statistical training needs to further develop the NSS.

Part 2: Programme performance



Summary of programmes

The programme performance detailed below does not follow the new organisational structure but reflects the budget structure operating during the period. This allows for easy comparison of performance against expenditure. For the 2002/03 period, Stats SA was organised into four programmes:

Programme 1 – Administration, through which Stats SA's top management and corporate services support the line functions of the organisation.

Programme 2 – Statistical services, which provides a range of economic, social and demographic statistical information to users sourced from surveys and administrative records.

Programme 3 – Population census, which conducts the population census every five years in order to provide comprehensive small area social and demographic statistics. A population census was conducted in 2001.

Programme 4 – Auxiliary services, which provides administrative support to the South African Statistics Council and manages the marketing trading account.

Programme 1 - Administration

Top management and corporate services support the line functions of Stats SA through this programme. The sub-programmes are:

1. SG support and internal, international and intergovernmental communication
2. Coordination of the national statistics system
3. Operational and project planning and management information
4. Internal auditing
5. Financial and provisioning management
6. Human resource management
7. Information technology
8. Strategic planning and service delivery improvement.

Key developments

The relocation of Stats SA to new premises marked the conclusion of a comprehensive restructuring process. During the development phase of the new structure the managerial and administrative functions were under considerable strain. This was compounded by the slow rate of recruitment into management positions. Capacity constraints became particularly apparent as a result of the added pressure created by Census 2001. Despite these difficulties, Stats SA moved forward in crucial areas by prioritising the filling of managerial posts, strengthening its decision-making mechanisms and providing the necessary policy frameworks for the Department to function effectively.

The Swedish International Development Agency (SIDA), in their 2002 report on the assessment of Stats SA, stated that Stats SA shows 'greater stability than three years ago. Output is becoming more regular and quality of products is improved'.

Donor funding

During the reporting period, technical and/or financial support from several donor agencies was received. The first agreement between the Swedish International Development Cooperation Agency (SIDA) and Stats SA was signed in 1996 and officially came to an end at the end of December 2002. During this time funding and technical support was received for the following:

- National Accounts;
- The Business Sampling Frame;
- Household surveys;
- Census '96 and Census 2001; and
- Statistical infrastructure.

The second agreement between the Swiss Agency for Development and Cooperation (SDC) and Statistics SA will run until June 2004. The main objective of this agreement is to conduct a census of local governments in order to compile non-financial statistics on municipal infrastructure and service delivery.

Norwegian support to Stats SA ended in March 2003. This support was focussed on time use studies, gender statistics and related training. The funds allocated for training were not used and were transferred to the Causes of Death project in the Vital Statistics component.

In addition, Stats SA benefited from international support in working towards global standards from:

- The United States of America (Census 2001);
- PARIS21 (National Statistics System and strategic planning);
- Kenya (Census 2001); and
- The World Bank (National Statistics System).

International collaboration

In recognition of its innovative approach to statistical development, such as the National Statistics System and capacity building programmes, Stats SA is represented on the management structures of several international statistics organisations.

The SADC Statistics Committee (SSC), which was chaired by the Statistician-General, South Africa, for the period under review, mobilised resources for South Africa's first tourism satellite account from international cooperating partners. More about this project can be found below under Programme 2: Statistical Services, in the National Accounts section.

The SSC, which reports to the SADC Council of Ministers, held its annual meeting in Cape Town, on which occasion Stats SA formally accepted chairmanship of the Committee. Stats SA also co-chairs PARIS21. Stats SA is represented in the following international statistics structures:

- UN Statistical Commission as Rapporteur
- Economic Commission for Africa
- Board of Governors of the International Comparisons Programme (Africa ICP-Africa)
- Africa Census Analysis Project
- International Association of Official Statistics (Vice-President).



Antoine Simonpietre, Manager of the Paris21 Secretariat, congratulates the Statistician-General, Pali Lehohla, on his appointment as co-chair of Paris21

Development indicators for South Africa

The process of identifying development indicators for government departments, other state agencies and FOSAD (Forum of South African Directors-General) clusters started in earnest with a meeting of users and producers of statistics held in Cape Town in April 2002. This workshop was co-hosted by the NSS division of Stats SA and the Policy Coordination and Advisory Services unit (PCAS) in the Presidency.

The process of indicator development gained further momentum with its discussion at the July 2002 Cabinet Lekgotla. Collaboration on indicator development has extended to all five of the FOSAD clusters. Among the departments, those of Housing, Health, Education, Social Development and Agriculture were fully involved in the working sessions on indicator development, with the Department of Housing making the most progress. Throughout the process, the NSS division facilitated the supply of data and statistical information to the Presidency, amongst others, in support of preparations for the review of progress over the ten years of democracy.

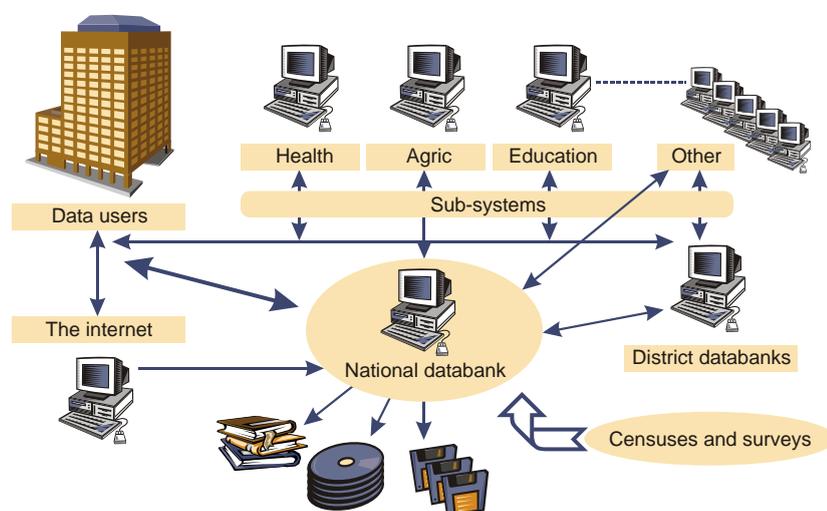
The role that parastatal agencies can play in populating outcome and output indicators through conducting sample surveys and censuses as well as providing any other support for the implementation of the NSS was explored in consultations with the Council for Scientific and Industrial Research (CSIR).

Framework and standards for national statistics

There was a clear focus on quality with the development of a quality framework, including the identification of indicators for measuring official statistics. The framework will be used to inform development of a national certification framework for assessing the quality of official statistics.

In collaboration with the World Bank, the NSS division secured sponsorship of the Second Generation Live Database (SGLD), which will function as a central database repository for other government departments and private agencies. This databank will form the authoritative statistical information system in any research and statistical output. It will be developed initially to enable Stats SA to provide government departments with the information they need regarding development indicators, after which benefits will be extended to other agencies as well as SADC member states.

National statistical databank (Warehouse)



Operational and project planning and management information

Government has identified the need to enhance project management skills throughout the public service. Stats SA strengthened this area of planning by establishing a division for programme coordination and management information systems (MIS).

The office provides support in the compilation and monitoring of contracts between Stats SA and clients for specific projects. This extends to project management services such as regular monitoring meetings and reporting. The implementation of audit recommendations is also monitored by the office.

Twenty staff members participated in a nineteen-day project management course. The course is spread over four months, allowing substantial practical application of the concepts and methods learnt.

Management information systems were substantially developed through the creation of several online systems aimed at collecting, analysing and reporting on operational and project planning, implementation of audit reports, budgeting and the statistics release schedule.

Internal audit

In terms of the Public Finance Management Act, 1999 (PFMA) and the Internal Audit Charter, the scope of work of the Internal Audit division concentrated mainly on determining whether Stats SA's network of risk management, internal control systems and governance processes, as designed by management in accordance with section 38(1)(a) of the PFMA, is adequate and functioning in a manner to ensure that risks are appropriately identified and managed to avoid errors, fraud and other losses to Stats SA.

For the year under review, the Internal Audit division, although restricted by limited resources at their disposal, fulfilled the main audit activities in terms of the internal audit plan as approved by the Audit Committee. This was achieved by:

- auditing various control systems and submitting internal audit reports identifying weaknesses and recommending improvements at all levels of the organisation. These audits were performed in accordance with the standards set by the Institute of Internal Auditors;
- carrying out in-depth audits on various aspects relating to internal controls and financial systems and audits on IT systems, provincial offices and human resources systems, as well as performing forensic investigations on certain reported irregularities;
- advising management, where possible, on controls to be put in place, as well as on corporate governance issues; and
- making available a system of reporting fraud anonymously via a fraud hotline, the email system and the intranet. This system has produced effective results.

Internal Audit also fulfilled its responsibility to the Audit Committee by supplying technical support, reporting on weaknesses in internal controls that were identified to management and assessing management's response in implementing corrective action.

Due to a large number of weaknesses in internal controls identified during the year under review and ineffective implementation of audit recommendations to date, the approved internal audit plan for 2003/04 will focus on in-depth investigations through performance audits and, if necessary, forensic investigations, in an attempt to identify the underlying issues that affect the control environment within Stats SA.



Census financial management

A crucial activity for the staff of the Finance division was the reconciliation of Census 2001 expenditure incurred in the nine provinces. Although instructions and systems for managing the cash had been put in place, these had not always been adhered to by the short-term contract staff in the regional census offices, many of whom had inadequate administrative skills. This, together with the short period over which the money was spent, resulted in regional books of account that could not easily be reconciled.

The Auditor-General was not able to endorse the financial statements for the 2001/02 financial year because records could not be produced for the 99 676 fieldworkers (supervisors and enumerators) who had been paid during the census operation. It was agreed, as an alternative approach, that each person who had been paid would have their details linked with actual production. Although the results of this exercise were not available at the time of the audit of the 2002/03 financial year, it was possible to give the Auditor-General reasonable assurance that the reconciliation process had been successful. At the time of finalising the report the reconciliation of these records had been completed.

Improving financial planning and control

Stats SA adopted a new way of ensuring a close link between planning and the management of funds. The establishment of coordination mechanisms that bring together the strategic, financial, human resources, project and information technology dimensions has greatly enhanced levers of control. This allows for improved management and control of finances and the evaluation of performance against integrated goals.

The budget structure of the vote of the Department was revised in accordance with the new organisational structure, for implementation at the beginning of the 2003/04 financial year. The new budget structure reflects the top management structure so that budget responsibilities can be more easily devolved to the various levels of management.

A process of decentralisation of functions to provincial offices was initiated during the financial year. This will be continued in stages so as to allow for more effective training and staffing. As a first step, responsibility for managing the large amounts of cash that are made available during the numerous household surveys was devolved to provincial level. Other functions will be decentralised during the 2003/04 financial year.

The big move

Provisioning Administration was responsible for overseeing the relocation of head office from the Steyn's Building to the De Bruyn Park Building. This was a mammoth task, which involved several tenders and the allocation of appropriate space to the various sections, taking into consideration the new organisational structure that had just been finalised.

The entire operational infrastructure of Stats SA was relocated to the new building over a period of nine weeks, from 22 July to 23 September, and included 1 043 workstations; 259 200 cubic feet of furniture; 7,5 km of shelving; 4 500 personnel boxes; procurement and information technology storerooms; and printing and packaging machines.

Stats SA's decision to move to an open-plan environment resulted in intensive discussion with staff to alleviate their fears and worries. As facilitators of the 'Big Move Project', Provisioning Administration had to ensure that the move was organised in a way that minimised down time, as releases had to come out on time and production could not stop.

Ensuring availability of information technology services at all times during the move was crucial to the success of the relocation project. The Information and Communication Technology division had to start planning for the information infrastructure well in advance of the move. This involved compiling a number of tenders according to applicable

standards, designing the new network layout and server room in compliance with requirements, updating all information on an AutoCAD planning system, and planning for connecting equipment and the smooth transition of operations.

Personal computers and information systems ran smoothly throughout the nine weeks. This was achieved by setting up end-user systems in both buildings to accommodate the staggered move, and transferring servers over the weekends.



Information technology support and development

IT support was provided in the processing phase to Census 2001 through system development, including a capturing and Oracle database system, database monitoring, CAS reconciliation and the generation of reports.

Information technology training remains an important priority for Stats SA staff. Staff members attend external training courses in specialist programmes such as: A+, MOUS, VB.NET, Transact SQL, PageMaker, Visual Basic Fundamentals, Netware 5.1 and RightFax. Internal training was provided on the more commonly used packages.

The development of a storage area network (SAN) to improve response times and access to corporate data has been prioritised for the next financial years. The system provides for a comprehensive data warehouse that will link statistical data across Stats SA and greatly enhance analysis and comparability of datasets, thereby enhancing quality.

Bargaining council

The year 2002 marked a new era for Stats SA's Departmental Bargaining Council with the conclusion of six policies as collective agreements. The finalisation of these policies is the result of extensive consultation between Stats SA as the employer and the two representative trade unions, the PSA and Nehawu. The following policies are now approved collective agreements:

- Generic recruitment practice;
- Job evaluation;
- Official journeys, subsistence allowance, accommodation and resettlement;
- Employment equity;
- HIV/AIDS; and
- Overtime.

Employee Assistance Programme

The Employee Assistance unit has been established in the Human Resources division to promote the well-being and productivity of employees by providing confidential counselling assistance to those who are experiencing personal or work-related problems.

Employee Assistance in Stats SA covers aspects such as HIV/AIDS, alcohol and drug abuse, trauma, financial difficulties and other stressors affecting performance. A counselling service has been provided to Stats SA employees for the first time. Forty staff members received counselling during the review period. Although the service provides immediate assistance to those in need, the focus is on prevention.

A stress management programme was launched as a preventative measure to assist staff members across all levels of Stats SA in managing stress. The programme involved information dissemination and workshops on stress management. Fifteen workshops were conducted in total, five at head office, one for census personnel at the Data Processing Centre and nine at the provincial offices.

A departmental HIV/AIDS policy has been approved. A candlelight ceremony and Women's seminar were held on 18 May and 22 August 2002 respectively to highlight the plight of those infected with HIV/AIDS and to educate staff members on these issues. The effectiveness of Stats SA's current HIV/AIDS programme was assessed in the nine provincial offices. Opposite are some of the findings of this survey.



56% of young staff members surveyed (under the age of 35) said that they were unaware of the HIV/AIDS programme, as opposed to only 15% in the age group 35-44 and 12% in the age group 45 and above.

82% of provincial staff surveyed said that they would not change their attitude towards a colleague if they discovered he or she had contracted HIV.

87% of provincial staff surveyed were of the opinion that people living with HIV/AIDS should disclose their status.

The most effective communication media were posters, 'lift news' and pamphlets, with an estimated 70% of provincial staff surveyed having read this material.

Only 26% of provincial staff surveyed had attended workshops, seminars and drama performances on HIV/AIDS.

Employment equity

The employment equity process at Stats SA was set in motion at the beginning of November 2002 with the establishment of a committee and the appointment of the Employment Equity officer.

The team keeps in regular contact with managers and staff. Employees were introduced to the application of employment equity in the workplace through a series of interactive workshops at head office and the provincial offices. Approximately 70% of staff members have already benefited from these workshops. Preparations are in progress to perform an audit of the current employment equity situation in Stats SA. This will enable areas in need of attention to be targeted.

Improving human resource management information

The restructuring of Stats SA provided the opportunity for an overhaul of the administrative systems used to manage human resources information and its links to the financial system. The following benefits have resulted from this process:

- improved financial management regarding personnel expenditure;
- informed decisions regarding the recruitment and placement of new staff members;
- more accurate and reliable human resource information for decision-making; and
- accurate salary and benefit administration for each staff member.

Job grading

Stats SA acknowledges the importance of maintaining a fair, consistent and systematic method of determining remuneration rates for all jobs within the organisation. For this reason, a system of job evaluation was implemented to ensure that equal work receives equal pay. Job evaluation assists in determining the level of work being performed and the concomitant remuneration level. Ninety-five per cent of jobs in Stats SA had been evaluated by the close of the financial year.

To profile all positions in the organisation for job grading, job descriptions were compiled for all positions. These descriptions are aligned with the strategic plan and support the performance management system of Stats SA.

Strategic performance management system

The development of Stats SA's first comprehensive strategic plan was a key development for the organisation. The writing of the plan involved a range of Stats SA managers and staff members as well as key external stakeholders. Prof Ben Kirygyera of the Ugandan Statistics Board provided valuable support.

The strategic plan formed the basis for a substantial reform of Stats SA's planning processes, with business plans for each division being used as the basis for identifying projects and allocating funds. The introduction of a more participatory budget allocation process enhanced transparency.

The individual performance management system underwent substantial development, with the introduction of performance agreements or plans for all staff, quarterly performance reviews and the conclusion of a new policy document to regulate the entire process. These changes improved the alignment of organisational and individual performance management and at the same time raised the level of compliance with public service regulations.



Minister Trevor Manuel opening the Sixth International Conference on Teaching Statistics (ICOTS)

Human capacity development

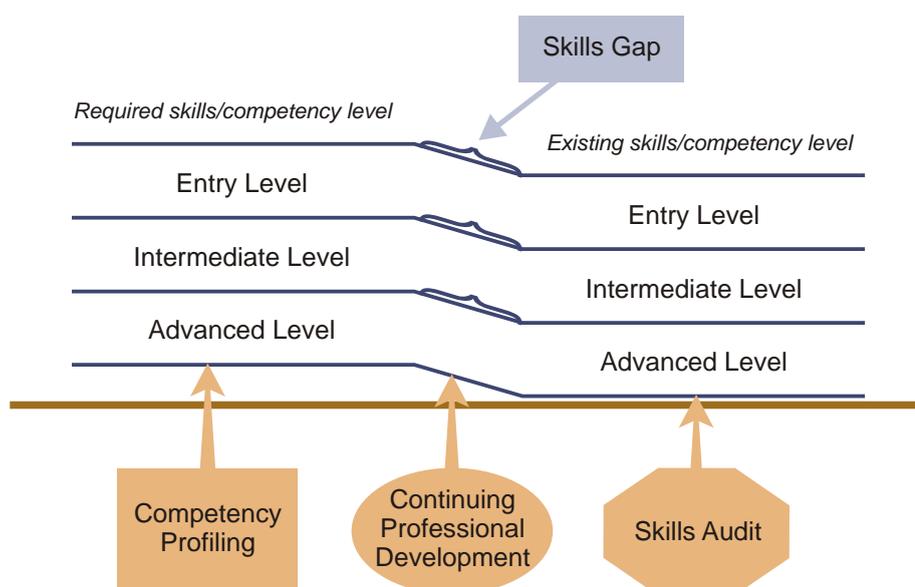
The emphasis of human development initiatives in Stats SA this year was the formation of programmes to develop skills in the core statistical areas, and the empowerment of lower level staff.

In formulating a programme for continuing professional development, Stats SA identified the required knowledge, skills and experience for the positions of statistician and associated professionals. Once these had been determined, the actual competencies of this group of professionals were audited. Individual development plans and the requirements of the National Statistics System will continue to inform the content of the Continuing Professional Development programme.

The main aims of this programme are:

- to align the existing competencies of professionals (including new recruits) with the competencies required for specific professional positions; and
- to ensure the sustainability of professional development.

Skills/Competency Alignment and Maintenance



Stats SA aims to gain accreditation for the programme from a world authority such as the Royal Statistics Society (RSS) in Britain and to extend the programme to other parts of Africa and the world.

In an effort to empower lower-level staff, a placement exercise was conducted which resulted in the appointment of several former tea ladies and maintenance staff to administrative positions. The staff members involved are receiving ongoing training. A group of cleaning staff, who work for a contractor and not directly for Stats SA, participated in an introductory computer course provided free of charge to them by Stats SA.



Members of the contract cleaning company who received computer training from Stats SA

Programme 2: Statistical Services

Statistical Services represents the core business of the Department. This programme aims to produce and analyse high quality economic, social and population statistics to inform socio-economic planning and development in South Africa. The sub-programmes comprise

1. National Accounts;
2. Trade and Industry Statistics;
3. Employment and Price Statistics;
4. Financial Statistics;
5. Social Statistics;
6. Demographic and Integrative Analysis; and
7. Health and Vital Statistics.

In addition, this core business of Stats SA is supported and implemented through:

- Provincial Offices, which provide fieldwork and information services;
- a Quality and Methodology division;
- Statistical Information Services, which publishes and disseminates Stats SA information; and
- a System of Registers, which forms the basis for sampling frames.

Key developments

Stats SA refocused its efforts on quality, initiating the process of reviewing its statistics against quality measures and standards. This process is driven by the Quality and Methodology division, which works across the organisation, and will receive further impetus from the establishment of a dedicated review task team.

Quality is improved through the enhancement of the sampling frames, of which the business sampling frame and the population census form the basis. The business sampling frame, which replaces the previous business register, uses regular information from the VAT database of the South African Revenue Services for updates. Benefits from the improved frame have started to feed into the economic surveys.

The establishment of current best methods for surveys and censuses, in accordance with the plan for a national standards framework for statistics, is progressing well, and statistical accuracy is being improved.

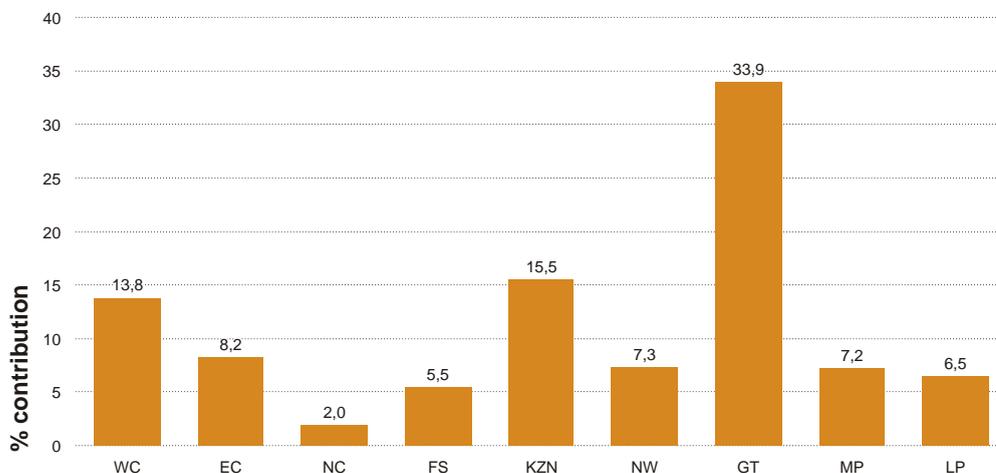
The *Advance Release of the Causes of Death 1997–2001* was presented to Cabinet and then released to the public. This was the outcome of a project to expedite the coding and capturing of causes of death from a sample of death notification forms from the Department of Home Affairs. Work to reduce the backlog and capture all death data continues.

A new statistical product, Gross Domestic Product by Region (GDPR) was successfully launched in the period under review.

National Accounts

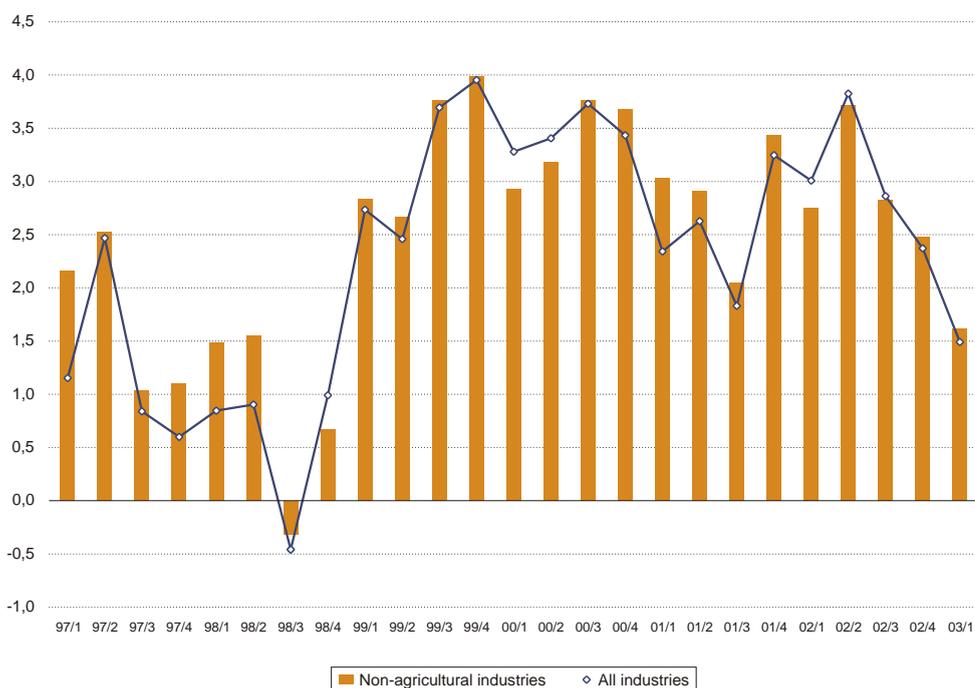
These statistics summarise, in a systematic and comprehensive way, the economic transactions that take place within the South African economy, and provide information on the level of economic activity. The usefulness of the accounts derives largely from the way in which data from a number of sources are brought together and presented in a conceptually consistent manner, both for a given period and over time. South African national accounts accord with the international standard for national accounts statistics (SNA '93).

Gross Domestic Product per Region (GDPR) contribution to the South African economy in 2001



Stats SA produced Gross Domestic Product (GDP) estimates for each province for the first time during 2002, providing vital information for local economic planning. After the successful publication of estimates of Gross Domestic Product per Region (GDPR) for 1995 to 2001, the National Accounts division visited the various provinces with the aim of establishing working committees. These will provide inputs into a National Gross Domestic Product per Region Committee to ensure that concerns raised regarding the estimates are addressed throughout the year. Presentations on the findings of the GDPR were made to various stakeholders, including the Gauteng Legislature's annual strategy and planning workshop, reinforcing the use of Stats SA statistics to promote informed decision-making.

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



National Accounts published its first discussion documents on Natural Resource Accounts for water and minerals. These will progress to statistical releases in the next period. Feasibility studies will also be performed on Natural Resource Accounts for six other resources and a discussion document will be published.

The National Accounts division is preparing for the publication, in late 2003, of a discussion document on the first phase of tourism satellite accounts for South Africa. Following the success of the International Workshop on Tourism Statistics and the Compilation of Tourism Satellite Accounts held at the World Tourism Organisation's (WTO) Headquarters in September 2002, representatives from the National Accounts division attended a series of sub-regional workshops on the development of a tourism satellite account hosted by the WTO during 2003. The workshops are a technical assistance initiative through which the WTO aims to improve statistical capacity in the field of tourism statistics for participating countries. South Africa is regarded as one of the leading countries in Africa in the development of tourism satellite accounts.

The National Accounts division plans to provide users with more information on the application of the Social Accounting Matrix, through the development of the analysis of the 1998 Social Accounting Matrix. This division is also in the process of preparing for the benchmarking of GDP estimates.

Trade and Industry Statistics

Trade and industry statistics are collected or compiled on industry-related activities in the primary, secondary, tertiary, services and transport sectors of the economy. They provide detailed information on these sectors and are an important input into the national accounts. Data on trade and industry are collected directly by Stats SA or by other data producers within the national statistics system. Despite the restructuring of the organisation and the relocation to a new building, Stats SA ensured continued production of approximately thirteen series during the year.

New samples based on the new business sampling frame have been drawn for four of the five monthly surveys: wholesale trade, retail trade, retail trade in motor vehicles and accessories, and land freight transport in the tertiary, services and transport sectors. A new sample will follow for the fifth survey: hotel trading statistics.

Two new monthly surveys in the accommodation and catering industry (bed and breakfast establishments and other short-stay accommodation, and restaurants, bars and canteens) have been approved and preparations to draw samples are currently underway. These surveys are crucial for monitoring tourism and for the tourism satellite account.

The Department of Agriculture contracted Stats SA to provide information on agricultural activities in South Africa. Accordingly, a Census of Commercial Farming was initiated in 2002. The census covers aspects such as land use, production, employment and financial performance. Census results will be made available in 2004.



Bongi Njobe, Director-General of the Department of Agriculture

Employment Statistics

These are statistics on the composition and characteristics of the workforce in the South African formal non-agricultural business sector and are used extensively in both economic and social analysis. Stats SA's employment statistics accord with the reporting obligations of the IMF's Special Data Dissemination Standards (SDDS), the ILO and World Bank.

Employment statistics benefited from new samples drawn from the improved business sampling frame for both the quarterly survey of employment and earnings in selected industries (SEE), and the survey of average monthly earnings (AME).

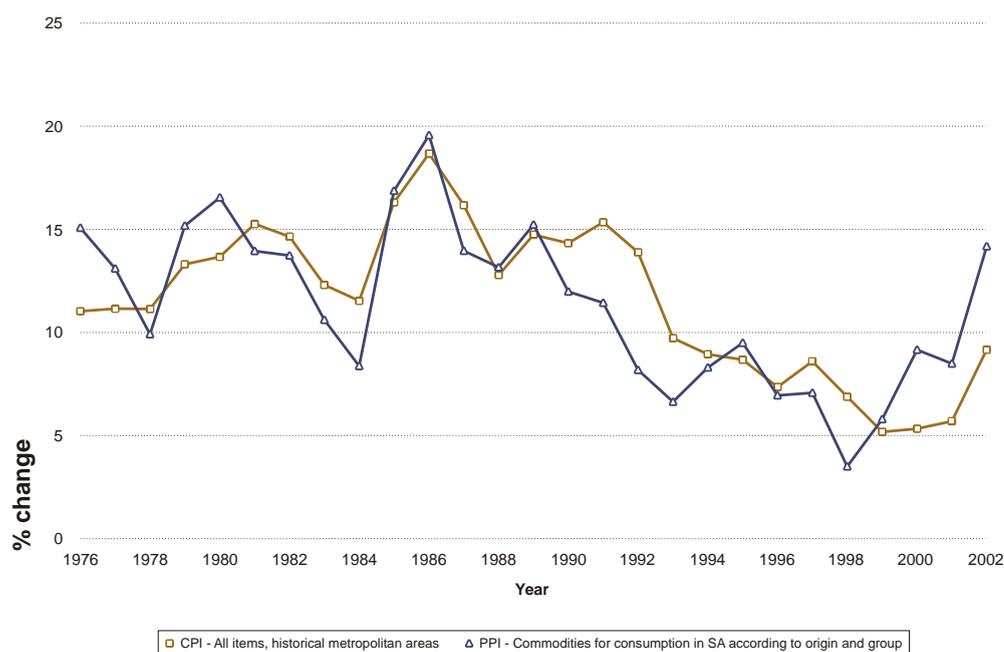
During the forthcoming year the SEE and the AME will be integrated into a quarterly employment statistics (QES) survey. Through combining the resources of the two surveys, the new statistics will be based on a larger sample with higher response rates. This will vastly improve the coverage and quality of the data. Employment statistics are also generated from the Labour force survey, which is reported on below under Social Statistics.

Price Statistics

These statistics are collected on various goods and services bought by typical consumers and included in the basket of goods and services used to monitor price changes. These statistics are used mainly for inflation targeting, analysis of comparative business performance, contract price adjustments and determination of economic policy.

Data from the 2000 income and expenditure survey (IES), which are used for the Consumer Price Index (CPI) and government funding formulae, were made available in a report and ten statistical releases. The next income and expenditure survey will be in 2005.

Percentage change in the average annual production price index (PPI) and consumer price index (CPI)



Preparations were completed for the publication of a discussion document on a rural consumer price index in June 2003. The rural consumer price index allows for analysis and poverty studies on the comparison between rural CPI and metropolitan CPI.

Further work is under way on the 2000 IES to provide comprehensive poverty statistics including a poverty profile. These and other relevant statistics are regularly used to determine financial allocations to all spheres of government.

Financial Statistics

These statistics are used for national accounts, macro-economic analysis, and for international use, for example, to meet the International Monetary Fund (IMF) requirements in terms of the Special Data Dissemination Standards (SDDS). Financial statistics include national, provincial and local government statistics, which contain information on government budgets and expenditure, as well as private sector statistics which contain income statement and balance sheet information on land, new and used assets and book value of fixed assets in the formal, non-agriculture business sector.

A census of municipalities (on non-financial data) is in progress, covering 284 municipalities and providing information on existing infrastructure and services. Information from this census will enable municipalities and national government to measure service delivery more accurately. Other beneficiaries include financial institutions such as the Development Bank of Southern Africa. The project is funded by the Swiss Agency for Development and Cooperation (SDC).

Business Sampling Frame

Collaboration between the Departments of Labour and Trade & Industry, the South African Revenue Services and Statistics South Africa was initiated in 1999 to create an integrated national business register.

Short-term goals for cooperation include sharing information on details of businesses in South Africa. Currently, information on VAT-registered businesses is transferred from the Integrated Business Register to Statistics South Africa every month. Data from the Departments of Labour and Trade & Industry are also received on a regular basis.

A Memorandum of Agreement (MoA), consolidating the establishment of an Integrated Business Register from which Stats SA will source its information, will be entered into in the coming financial year. This MoA will serve to ensure the continuation of information transfers in the short term. Heads of partner departments are currently directing efforts at determining, through the process of business modelling, how integration of information will be achieved.

Benefits from an integrated register for Statistics South Africa are huge, particularly in obtaining information on all enterprises in the country, including those exempted from tax or levy liability by legislation. The continuous update of information will greatly enhance the accuracy of the Business sampling frame.

In the year 2003/2004, information transfers to Statistics South Africa will include businesses registered for other taxes and levies such as income tax, the skills development levy and the unemployment insurance fund. Analysis of this source of information demonstrates that it is a plausible source and will considerably improve the quality of our statistics.

Social Statistics

Social statistics provide information on the living conditions of the population, including formal and informal employment. Information derived from social indicators is used to monitor labour markets, the allocation of funds for rural development, urban renewal strategies and poverty reduction.

Two labour force surveys were conducted during the period, in September 2002 and February 2003, and a publication was produced on each survey providing information on the dynamics of employment and unemployment. This survey complies with the requirements of the International Labour Organisation (ILO) and complements employment information obtained from businesses described above under Employment Statistics.

A general household survey was undertaken in May and June 2002. The publication will only be released in September 2003 so that the sample can be weighted with population data from Census 2001. The general household survey provides poverty information at provincial level, including access to basic services.

In 1999, Stats SA introduced a master sample consisting of primary sampling units (PSUs), based on the enumeration areas (EAs) from the 1996 Census. This master sample, which underlies all of Stats SA's household surveys, was updated in 2002 in conjunction with the Geography division. This has contributed towards constant improvement in the accuracy of household surveys.



Map of a primary sampling unit from the updated master sample

The aim of the master sample project was to update information on dwelling units in the field. In the past, numerous problems were experienced with the updating process, such as:

- lack of map-reading skills;
- lack of sketching skills;
- problems with identification of boundaries;
- listing problems such as misclassification of structures or changes in type of area from informal to formal;
- lack of specialists involved in training and monitoring;
- noncomparability of data across surveys; and
- the representivity of the type of areas included in the master sample.

Close cooperation between the Geography and Social Statistics divisions ensured that:

- improved decision-making was achieved through more and better information;
- the latest technology was used for map production;
- there was improved planning, training in map reading and fieldwork, and documentation;
- dwelling units were listed more accurately; and
- there was greater control over updating processes.

Demographic and Integrative Analysis

A range of demographic and integrative narrative and graphic reports and papers were produced providing user-friendly information on different themes. The reports included:

- The South African labour market: Selected time-based social and international comparisons;
- Women and men in South Africa: Five years on; and
- Mid-year population estimates 2002.

In addition, the following occasional papers were published:

- A day in the life of a South African teenager;
- Marital status and the South African labour market; and
- The population of South Africa: An overall and demographic description of the South African population based on Census '96.

Work continued on the book *After Robben Island: The demography of South Africa*, in conjunction with colleagues from the University of Pennsylvania. It is planned to release this book in 2004 to coincide with ten years of democracy.





Staff members from Geography and Social Statistics

Health and Vital Statistics

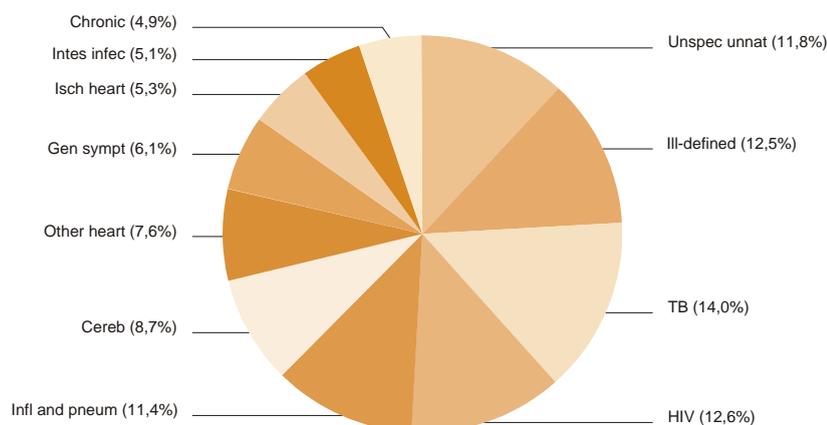
Statistics on births, deaths, marriages and divorces, and migration provide information on the changing profile of the South African population. Birth and death statistics are especially important in understanding the health profile of the country and managing diseases such as HIV/AIDS.

On 21 November 2002, the report on the causes of death was released after being presented to Cabinet. This advance release was based on the analysis of a 12% sample of all death certificates, or death notification forms, for the years 1997–2001.

The report identified the leading causes of death in South Africa for the period and the trends and patterns in those causes. The study was undertaken in response to a request made by Cabinet in August 2000 and was carried out by Stats SA with technical support from a task team comprising the Directors-General of the Departments of Health, Home Affairs and Social Development, and the president of the Medical Research Council.

Statistics on the causes of death indicate a rapid rise in recorded deaths in South Africa towards the end of the 1990s. Analysis of the remaining 88% of the death certificates is imperative to properly understand the reasons for changing patterns in mortality. Resources have been mobilised in two projects to address the backlog and produce causes of death statistics for the last six years.

Percentage of deaths due to ten leading underlying causes of death, 2001



Key	
Unspec unnat	= Unspecified unnatural causes
TB	= Tuberculosis
Ill-defined	= Ill-defined causes of mortality
HIV	= HIV disease
Infl and pneum	= Influenza and pneumonia
Cereb	= Cerebrovascular disease
Other heart	= Other forms of heart disease
Isch heart	= Ischaemic heart disease
Chronic	= Chronic lower resp. diseases
Gen sympt	= General symptom and signs
Intes infec	= Intestinal infectious diseases
Diabetes	= Diabetes mellitus

Quality and Methodology

This division provides a cross-organisational service in quality and methodology that includes the ongoing review of product quality and the development of current best methods for statistics.

An important Stats SA activity is the development and implementation of national statistical standards, frameworks and methodologies which are applied, as appropriate, to all statistical collections including business and household surveys. The division issued a number of guidelines during the course of the year, including:

- business sampling maintenance for economic statistics;
- sampling methodology for economic statistics; and
- policy on questionnaire development regarding evaluation and testing.

A key activity that benefited greatly from the services of the Quality and Methodology division during the year under review was Census 2001. Technical support was provided to data processing mainly on the editing of census data and the validation of results.

Provincial Offices

Provincial offices are responsible for providing high quality and efficient fieldwork for social and economic surveys and also act as dissemination centres for statistical information.

During the past year, the provincial offices successfully completed fieldwork operations for two labour force surveys and the first round of the general household survey. They also completed the Census 2001 mop-up operations.

In addition, provincial offices continued with the dissemination of statistical information to meet the specific needs of each province. Provincial statistics forums have been established for the purpose of statistical information sharing.

For the first time, some of the financial systems (BAS and LOGIS) have been decentralised to the provinces to enable them to improve performance and service delivery including accountability.

Statistical Information Services

Stats SA provides statistics and related information to users through several means, including:

- printed publications, available from the information centre or through the national subscription service;
- a new comprehensive information centre;
- interaction with media organisations;
- presentations and workshops for stakeholders countrywide; and
- the website, which provides key statistics, conceptual material and a growing number of information directories.



New information centre

When Stats SA moved to De Bruyn Park at the end of September 2002, the Library and the User Enquiries unit were integrated into a single service point, addressing a long-felt need. Additional services were also provided. These include a 'sandpit' and a Stats Shop. A statistical sandpit is an area reserved for visitors who may sit at a computer and access Stats SA's website with its array of tools and information. At the Stats Shop users can browse through available publications rather than having to make their way around Stats SA to access information.

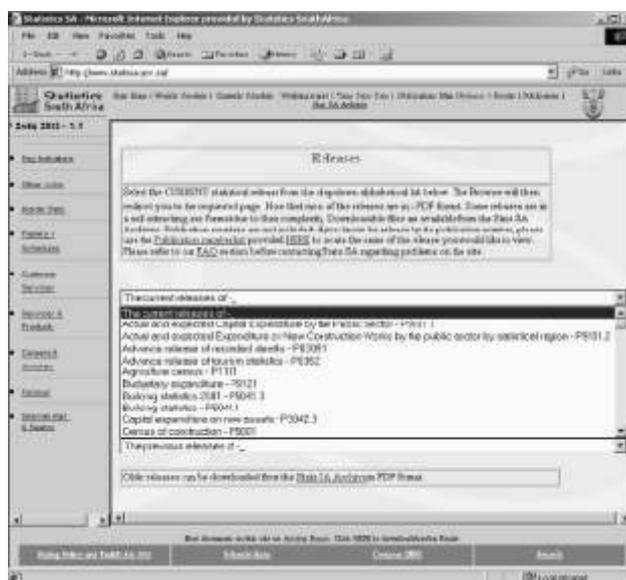


Staff members of the User Information Centre

Website

Use of Stats SA's statistical information continues to increase through both the information centre and website services. The user enquiries section responded to 54 767 enquiries in the year, averaging approximately 210 queries per day. The average number of successful hits per month on Stats SA's website was approximately 700 000.

The increased accessibility of time-series data in the user-friendly format of Excel and the development of a rapid online registration service for regular data releases have boosted Stats SA website as the dissemination medium of choice. This has resulted in a decline in the number of subscriptions for printed publications.



All statistical releases are available at
www.statssa.gov.za

Marketing

Another development in the period under review was the expansion of the Marketing component, and a resultant increase in the proactive dissemination of information.

The Marketing team prepared selected groups of stakeholders for the launch of Census 2001 results through workshops, by installing Census '96 Community Profiles on computers in government departments both nationally and provincially, and training users in SuperCross. This was to pave the way for the installation of the Census 2001 Community Profiles late in 2003.

Members of the team also visited a few of the multi-purpose community centres (MPCCs) set up by the Government Communication and Information System (GCIS). The statistics dissemination tool SuperTable was installed to contribute to statistical literacy and enable communities to access local statistical information.

Considerable work was done in the review period to plan appropriate Census 2001 products and dissemination methods for eleven different target audiences, and a Marketing Plan was produced. The envisaged census products include printed books, posters, pamphlets, digitised maps, analytical and interpretive reports, and CD-Roms with data and software that enable the user to create customised tables and maps. Interactive web-based products were also planned.

In an effort to extend its statistical outreach, Stats SA exhibited at the World Summit on Sustainable Development (WSSD) in Johannesburg. Although Stats SA was a small exhibitor, its products were much in demand. Records from the visitors' book show that the three most popular areas of enquiry were census data, social statistics, and the birth and death rate. Visitors were from all walks of life, including foreign ministers, professionals, business people, government officials, academics, students and the general public.



Census 2001 poster ready and waiting for the final population figure

Outputs and service delivery trends

Outputs / performance measures	Actual performance against targets	
	Quantity	
	Target	Actual
National Accounts		
Quarterly GDP estimates	4 releases	4 releases
Annual GDP estimates	1 release	1 release
Annual GDP estimates	1 discussion document	1 discussion document
Social Accounting Matrix	1 matrix	1 matrix
Natural Resource Accounts for water and minerals	2 discussion documents	2 discussion documents
Trade and Industry		
Statistics on:	12 releases for each series	12 releases for each series
<ul style="list-style-type: none"> • Mining production and sales • Generation and consumption of electricity • Manufacturing: production and sales • Manufacturing: products manufactured • Retail trade sales • Wholesale trade sales • Motor trade sales • Land freight transport • Hotel trade • Building • Liquidations and insolvencies • Civil cases for debt 		
Manufacturing: utilisation of production capacity, including percentage of utilisation and reasons for under-utilisation	4 releases	4 releases
Employment Statistics		
Survey of employment and earnings in selected industries (SEE)	4 discussion documents	4 discussion documents
Survey of average monthly earnings (AME)	4 releases	4 releases
Price Statistics		
Consumer price index	12 releases	12 releases
Rural consumer price index	1 discussion document	1 discussion document
Producer price index	12 releases	12 releases
CPI weights	3 releases	3 releases
Income and expenditure of households	10 releases	10 releases
Income and expenditure of households, CPI weights	3 releases	3 releases
Building contracts adjustment indices	12 releases	12 releases
Financial Statistics		
Local government statistics	7 releases	7 releases
National and provincial government statistics	8 releases	8 releases
Social Statistics		
Labour force survey	2 releases	2 releases
Survey of large and small scale agriculture	1 report	1 report
Survey of employers and self employed (SESE)	2 reports	2 reports
Income and expenditure survey	1 comparative report (1995 & 1999)	1 comparative report
General household survey	Conduct first round	First round conducted
Master sample	Update master sample	Master sample updated

Outputs / performance measures	Actual performance against targets	
	Quantity	
	Target	Actual
Demographic and Integrative Analysis		
Labour market comparisons	1 report	1 report
Time-use / youth studies	1 occasional paper	1 occasional paper
Unpaid labour	1 working paper	1 working paper
Ongoing Census '96 analysis	3 occasional papers	3 occasional papers
Vital statistics		
Causes of death	Advance release of causes of death 1997-2001	1 report
Marriages and divorces	2 releases (1999 and 2000)	2 releases
Recorded live births	1 release	1 release
Tourism and migration	12 releases and 2 reports	12 releases and 2 reports
Statistical Information Services		
Cross sectional publications	4 quarterly bulletins SA Statistics Stats in Brief	4 bulletins 1 annual report 1 publication

Programme 3: Population Census

Activities of this programme focused mainly on Census 2001, which was held in October of that year. Detailed final results were released on 8 July 2003, less than two years after the census was conducted.

Overview

A key activity of Stats SA is to develop and conduct a five-yearly population census. The results are used to revise population estimates for South Africa, and to provide detailed statistics on the population within small geographic areas and for groups within the population. These statistics are used for a variety of planning, administration and policy activities of government, business and other users.

Many challenges were faced in Census 2001. Among these were a questionnaire that was detailed and complex, the introduction of leading-edge technologies that produced new types of problems, and a clear need for quality improvements indicated by the results of the pilot census. Stats SA faced these challenges head on, particularly in processing census data, and improved its operations as a result. Here are some of the achievements of Census 2001 regarding the processing of data and its preparation for public release.

- Successful processing of Census 2001 data with significantly fewer staff than for the 1996 census. (Approximately 1000 data-capturers were appointed for processing Census 2001 compared with more than 5000 in 1996);
- The successful use of new technologies and processing systems;
- The implementation of continuous improvement strategies, streamlined processes and improved management to ensure the quality of data; and
- A significant increase in the range of census products available from Stats SA, as well as better access to information and improved timeliness in making information available.

Processing of Census 2001

The development of the data processing system began in earnest after the pilot census. This fell naturally into four phases – data capture, post-capture, coding and product generation.

The primary purpose of the data capture system was to transfer data from the census questionnaires to usable computer data files. Scanning and optical character recognition technology was used for data capturing.

The function of the post-capture system was to clean and edit the output of the data capture system and make it ready for use in a variety of census products.

Coding was required to deal with open-response questions such as religion and country of birth.

Data capture

The backbone of the data capture system was commercial software that had been used successfully in various census projects (such as Kenya, Turkey, Brazil and India). Additional software was developed to:

- manage boxes received from the field and checked into the stores;
- control and track the processing of questionnaires;
- consolidate the data received from the commercial image-processing software into database records for every questionnaire; and
- perform quality checks on the data before it was made available to Stats SA for editing and analysis.



Data processing centre

For the processing of the main census, a new site in Pretoria was acquired and equipped. This had to accommodate more than 100 000 boxes of questionnaires, scanners, computer workstations, servers and other peripheral equipment. Shelving and equipment were installed for the boxes from the field. Two data-processing centres in Bloemfontein and Port Elizabeth were also acquired and equipped. These centres were used for data processing only and did not handle any questionnaires. They were later closed down and the facilities moved to Pretoria.

Approximately 1000 temporary personnel were employed to work in three shifts a day throughout the week, including weekends, for almost a year and a half (compared with more than 5000 used for the 1996 Census). The contractor initially trained managers, supervisors and Stats SA trainers, who in turn trained the various operators and data-processing clerks.

The basic data capture processes comprised the following:

- preparing and scanning 10 249 185 questionnaires received from 75 794 EAs. In total, more than 117 million images were scanned;
- using commercial image processing and character recognition software to extract the handwritten characters from the scanned images;
- validating and correcting extracted data, carried out by about 600 operators working in shifts;
- performing independent data quality checks by typing and comparing the data values of randomly selected field values. A target accuracy of 97% had been set, but the accuracy finally achieved was 98,9%; and
- transferring the processed values of every questionnaire to Stats SA for post-capture processing.

Data capture began in January 2002. The initial plan was to complete capture by August 2002. Unfortunately, technical difficulties intervened and production at all three centres was briefly stopped mid-year while several key processes were improved. Data capture was restarted on 8 July 2002 and completed by the end of February 2003.

Some of the problems and solutions were:

- The software developed for data processing had not been tested to the limit by the pilot, and these programmes proved unable to handle the large quantities of data from the full census. As a result, systems were developed, tested and improved under live conditions;
- Because the questionnaires were printed with a light blue background and pencils were used in the recording of census information, the scanned images were often indistinct. This was solved by replacing the white lights in the scanners with blue lights, and all unclear images were rescanned. In addition, a software programme was specially written for automatic image quality assurance; and
- Improved monitoring procedures were developed to ensure that operators produced work of the highest possible quality.

Post-capture processing

After the data was delivered to Stats SA, a series of post-capture processes took place, including:

- Removing erroneous person and death records created when the scanning system misinterpreted blank fields;
- Resolving errors caused when the enumerator skipped up or down a line between pages while recording fertility responses; and
- Resolving problems with large households, where the enumeration required more than a single questionnaire.

Following these phases, the raw data was analysed and edited. A set of automated editing specifications was developed, and a team of demographers, subject-matter specialists and computer programmers elaborated and implemented the editing system. Derived variables were developed at this stage of processing.

For the first time, Stats SA used imputation to correct missing or inconsistent values. In such situations, a reasonable valid value was substituted for a problematic one. A combination of logical imputation methods (based on the characteristics of other members of the household) and dynamic imputation methods (based on characteristics shared with people in other nearby households) was used.

Coding

Meanwhile, coding took place of the responses to the eight open-response (free format) questions: country of birth, country of citizenship, place of usual residence, place of previous residence, place of work, religion, occupation and industry. Response rates for these questions varied from relatively low (for example, country of citizenship, which was asked of non-SA citizens only), to very high (for example, religion, which was asked of every person). Each of these responses had to be linked to the standard codes used by Stats SA for countries, place names, religions, occupations and industries.



The coding task was complicated by the variation in spellings, the different languages that were used, and the fact that in many cases respondents used uncommon words or abbreviations. Trained coding personnel that specialised in the different open-response categories did most coding manually; however, software was written for automated coding of place names and religion. Approximately 60% of place names and 55% of religion responses were coded automatically.

Certain difficulties were experienced, but most were solved or satisfactory compromises achieved:

- Due to the greatly reduced time-frame, additional coding staff had to be appointed. Coding is a highly specialised field, requiring experts in each category. Unfortunately, not all coding staff could be trained in time to achieve the same results as professional coders;
- Insufficient space on the questionnaires prevented accurate coding for some of the responses. In addition, unclear responses were sometimes received and these were difficult to code;
- The dictionaries used were incomplete and sometimes place names were used that were not on the list. Lack of time made it virtually impossible to resolve all such cases; and
- Coding to sub-place level presented considerable difficulties and it was agreed to code place names to main-place level only.

It was originally planned to complete coding over six months and publish these results after the main census results. At the end of the reporting period, however, a decision was taken to delay the release of the first census results and include the coded results. This decision reduced the time allowed for coding from six months to ten weeks. Coding finished in mid-May 2003. The results of the census were released on 8 July 2003; this stage of the process will be covered in the next reporting period.

Conclusion

One of the successes of Census 2001 was the way in which quality assurance was built into the processing of the Census data. Quality management in the census included mapping of processes, daily nerve-centre meetings, quality analysis and improvement of processes, which together assured the quality of Census 2001 results.

Service delivery trends: Census

Subprogrammes	Outputs	Output performance measures/ service delivery indicators	Actual performance against targets	
			Target	Actual
Operations	Enumeration of the population	All enumerator areas covered	80 787 (total number of EAs)	73 846 populated and covered 6 555 unpopulated 386 missed Total: 80 787
GIS and mapping	Geo-spatial census database	All enumerator areas covered in database	80 000	80 787
Processing	Census database	Scanning and editing of all questionnaires	10,3 million	10,3 million
Dissemination	Preparation of products	Results published in two years	October 2003	July 2003

Preparations for Census 2006

The population censuses of Statistics South Africa are the most extensive, complicated and expensive statistical operations that this country undertakes. Very lengthy and detailed preparations must be made for these censuses to be successful.

Stats SA has established a core census structure that will exist over time and between census enumerations. Through this permanent structure, institutional memory will be maintained and the crucial processes that support census operations will be managed and developed.

The approved structure strikes a balance between key capabilities that must be built within the census structure and contributions from providers that are external to the structure. These contributions are managed through service level agreements and contracts. Negotiations on service level agreements between the census team and internal stakeholders are currently in process in preparation for census operations in 2003/04. First appointments to the structure were made in November 2002.

Geography

The Geography division is responsible for developing and maintaining geographical products and services. This division deals mainly with spatial data which is integrated with data or information from other internal divisions, government departments, private companies and research institutions. The geography area hierarchy model constitutes the spatial frame for surveys and censuses in Stats SA. Geography services include the geographical information system and GIS products, mapping, geo-coding, and a national geographical standards framework.

Support for Census 2001

To validate the accuracy of Census 2001 results, a comparison was made between the provisional population totals of Census 2001 and the Census '96 totals.

The Geography division developed innovative products and dissemination media that allow for integrated end-user system development. The geography area hierarchy model was built into the dissemination medium SuperCross, to which other dissemination media, PC_Axis and PX_Web, can be linked to provide for a progressive web-based end-user system.

The dissemination pathways built into SuperCross are by magisterial district, municipality, and province. Magisterial districts were preserved to allow for comparison with the 1996 census.

Innovative methods for the national travel survey

The national travel survey was initiated by Stats SA and the Department of Transport. The latest sampling techniques were used to draw the sample, which is based on enumeration areas from Census 2001. Enumeration areas were grouped according to urban or rural type within each province and transport analysis zone. From there, a disproportional sample of EAs was taken from each stratum. New spatial utilities were developed to combine enumerator areas into primary sampling units that complied with the criterion of between 80 and 400 dwelling units.

Traditionally, producing maps manually is slow and burdensome. A new automated map production process was developed and tested using the new mapping tools. Maps were created in a map book and converted to portable document format (PDF). In the first test runs, 262 digital maps were generated in only two-and-a-half hours.

Cooperation with other government departments in the area of Geography

Given the substantial resources required to keep geographic data up to date, and the broad applicability of the results of geographic analysis, cross-departmental collaboration is critical. Stats SA has relationships with several government agencies in this regard:

Municipal Demarcation Board (MDB): Stats SA is working closely with the MDB on the realignment of the municipality boundaries to Stats SA's 2001 enumerator area boundaries (EAs). Cooperation was initiated after it was realised that some of the municipality boundaries cut through villages and pass over natural or man-made barriers.

Independent Election Commission (IEC): Stats SA is assisting the IEC to align ward and voting district boundaries to Census 2001 EA boundaries. This will enable the IEC to determine the number of eligible voters in the country.

Department of Health: Geographic information helped to determine the current provision of health care facilities in the Eastern Cape. Results indicated a grave need for additional facilities in most areas.

Department of Education: To improve planning of education facilities, the distances travelled by learners were analysed from census data providing the population of children of school-going age. The Geography division also mapped the Matric results for 2002.



**Thami Mseleku, Director-General
of the Department of Education**

Programme 4: Auxiliary and associated services

South African Statistics Council

According to the Statistics Act the Statistician-General must provide the Council with such secretarial and clerical assistance as is necessary for the effective performance of the functions of the Council.

This assistance was given by the Statistician-General and enabled Council to have five meetings of the full Council as well as ten subcommittee meetings. The funding provided to Council by the Statistician-General totalled R409 000 for the financial year in question.

The report of the Council can be found on page 6 of this report.

Part 3: Human Resources information



Service delivery

1.1 Main products and services

The main services of Statistics South Africa are the provision of economic, social and population statistics. This statistical information is disseminated by means of post, fax and email and through Stats SA's website.

Government departments and financial institutions in the private sector are the main users of Stats SA's products and services. Through the development of the National Statistics System, Stats SA is helping national and provincial government departments to use statistical information in decision-making processes. Potential users include local government structures, community level organisations and smaller businesses.

1.2 Consultation with users

The statutory Statistics Council comprises representatives of different user and stakeholder groups. The council meets four times a year to provide advice to the Minister and the Statistician-General. The Council also has several subcommittees which meet as the need arises.

Each statistical series conducted by Stats SA has an advisory committee of key stakeholders. These advisory committees meet when the need arises. Workshops on specific issues are regularly held by Stats SA to inform and consult users on critical matters. An example of this is the provincial workshops held on the GDP (Gross Domestic Product per Region) publication.

1.3 Service Delivery Access strategy

Stats SA places great emphasis on increasing access to and usage of its statistical information. There are several recent initiatives in this regard.

- Revamped website: Increasingly, Stats SA's website is the primary means by which the public obtains access to official statistical information.
- Statistical information service: Stats SA provides a phone, fax and email enquiry centre.
- Marketing services: A marketing unit primarily focuses on facilitating access to data generated by the population census.
- Schools outreach: In conjunction with the National Department of Education, Stats SA conducted a Census at schools during 2001. The development of curricula, based on the data collected, is currently proceeding.

1.4 Complaints mechanism

As Stats SA is not an administrative department, it does not receive many complaints. Queries are received from time to time on the validity of statistical information. In most cases Stats SA has responded quickly to check the data, and, if necessary, rectify the error.

Expenditure

Data in these tables present the situation as reflected in Persal on 31 March 2003. Because of reconciliations of the Census personnel data, the figures here may not exactly correspond to the situation in Statistics South Africa for the period. Donor-funded and survey personnel are excluded from our personnel information as they are paid under special and professional services.

Table 2.1 – Personnel costs by programme

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Special and professional services (R'000)	Personnel cost as percentage of total expenditure	Average personnel cost per employee (R'000)
1. Administration	82 110	35 522	3 749	17 260	43,3	384
2. Statistical services	124 992	73 315	0	16 707	58,7	211
3. Population census	149 332	49 222	87	41 286	33,0	144
4. Auxiliary services	409	0	0	194	0,0	0
Special functions	2 397	0	0	0	0,0	0
Total	359 240	158 059	3 836	75 447	44,0	739

Table 2.2 – Personnel costs by salary band

Salary band	Average employees per salary band	Personnel expenditure (R'000)	Percentage of total personnel cost	
			Average personnel cost (R'000)	Percentage of total personnel cost
Permanent employees				
Levels 1-2	-	-		
Levels 3-5	93	5 766	4,9	62
Levels 6-8	549	57 096	48,5	104
Levels 9-12	144	33 408	28,4	232
Levels 13-16	50	21 500	18,3	430
Total	836	117 770	100,0	141
Contract employees				
Levels 1-2	795	24 645	61,2	31
Levels 3-5	99	4 356	10,8	44
Levels 6-8	84	6 972	17,3	83
Levels 9-12	24	3 456	8,6	144
Levels 13-16	2	860	2,1	430
Total	1 004	40 289	100,0	40
Permanent and contract				
Levels 1-2	795	24 645	15,6	31
Levels 3-5	192	10 122	6,4	53
Levels 6-8	633	64 068	40,5	101
Levels 9-12	168	36 864	23,3	219
Levels 13-16	52	22 360	14,1	430
Total	1 840	158 059	100,0	86

Table 2.3 – Overtime, allowances and benefits by programme - amount, and percentage of total personnel cost

Programme	Salaries		Wages		Honoraria		Acting allowances	
	R'000	%	R'000	%	R'000	%	R'000	%
1. Administration	22 988	14,54	292	0,18	0	0,000	8	0,005
2. Statistical Services	49 516	31,33	4 201	2,66	0	0,000	80	0,051
3. Population Census	39 550	25,02	1 590	1,01	2	0,001	0	0,000
Total	112 054	70,89	6 083	3,85	2	0,001	88	0,056

(continued)

Programme	Overtime		Home owners allowance		Medical assistance		Total
	R'000	%	R'000	%	R'000	%	R'000
1. Administration	1 723	1,09	576	0,36	1 382	0,87	26 969
2. Statistical Services	514	0,33	1 200	0,76	3 226	2,04	58 737
3. Population Census	284	0,18	54	0,03	134	0,08	41 614
Total	2 521	1,59	1 830	1,16	4 742	3,00	127 320

Note: The difference between the totals in this table and the overall personnel costs is a result of car allowances and service bonuses.

Table 2.4 – Overtime, allowances and benefits by salary band - amount, and percentage of personnel cost per salary band

Salary band	Salaries		Overtime		Home owners allowance		Medical assistance		Total
	R'000	%	R'000	%	R'000	%	R'000	%	R'000
Levels 1-2	24 645	100,00	0	0,00	0	0,00	0	0,00	24 645
Levels 3-5	8 728	94,95	151	1,64	101	1,10	212	2,31	9 192
Levels 6-8	45 670	89,17	2 360	4,61	839	1,64	2 346	4,58	51 215
Levels 9-12	25 366	93,92	10	0,04	475	1,76	1 157	4,28	27 008
Levels 13-16	13 640	91,78	0	0,00	415	2,79	806	5,42	14 861
Total	118 049	93,01	2 521	1,99	1 830	1,44	4 521	3,56	126 921

Employment and vacancies

Table 3.1 – Employment and vacancies by programme, 31 March 2003

Programme	Permanent posts				Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate	Number of contract posts	
1. Administration	228	209	8,33	4	1
2. Statistical services	625	568	9,12	24	0
3. Population census	59	59	0,00	976	0
Total	912	836	7,24	1 004	1

Table 3.2 – Employment and vacancies by salary band, 31 March 2003

Salary band	Permanent posts				Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate	Number of contract posts	
Levels 1-2	0	0	0,00	795	0
Levels 3-5	93	93	0,00	99	0
Levels 6-8	587	549	6,47	84	1
Levels 9-12	173	144	16,76	24	0
Levels 13-16	59	50	15,25	2	0
Total	912	836	8,33	1 004	1

Table 3.3 – Employment and vacancies by critical occupation, 31 March 2003

Critical occupation	Permanent posts				Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate	Number of contract posts	
IT Specialists	27	21	33,33	14	0
Economists	21	14	33,33	1	0
Statisticians	181	139	23,20	1	0
Total	229	174	24,02	16	0

Job evaluation

Initially Stats SA followed a random approach in job evaluation. At a later stage of 2002/2003 a systematic approach was adopted whereby the process focused on permanent low level jobs and then on permanent higher level jobs. The process for levels 1-5 was completed in December 2002. Currently the focus is on levels 6-12, to be implemented in 2003/2004.

Table 4.1 – Number of posts evaluated, upgraded and downgraded

Salary band	Number of permanent posts	Posts evaluated		Posts upgraded		Posts downgraded	
		Number	Percentage (of total posts)	Number	Percentage (of evaluated posts)	Number	Percentage (of evaluated posts)
Levels 1-2	0	0	0,0	0	0,0	0	0,0
Levels 3-5	93	79	84,9	66	83,5	0	0,0
Levels 6-8	587	73	12,4	51	69,9	1	1,4
Levels 9-12	173	7	4,0	3	42,9	0	0,0
SMS Band A	30	30	100,0	0	0,0	0	0,0
SMS Band B	21	15	71,4	0	0,0	0	0,0
SMS Band C	7	7	100,0	0	0,0	0	0,0
SMS Band D	1	1	100,0	0	0,0	0	0,0
Total	912	212	23,2	120	56,6	1	0,5

Table 4.2 – Profile of employees absorbed in an upgraded post

	African	Asian	Coloured	White	Total
Female	34	1	3	7	45
Male	71	0	2	3	76
Total	105	1	5	10	121

Employees with a disability **None**

Table 4.3 – Employees whose salary level exceeds the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Manager: Information Technology	1	13	14	Retention of scarce skills
Total	1			

Table 4.4 – Profile of employees whose salary level exceeds the grade determined by job evaluation

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	1	1
Total	0	0	0	1	1

Employees with a disability **None**

Employment changes

The data in this section include appointments funded by donors and appointments to the Census 2001 project

Table 5.1 - Annual turnover rates by salary band

Salary band	Total employees on 1 April 2002	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Levels 1-2 (permanent)	12	1	0	0,0
Levels 1-2 (temporary)	1 187	571	1 355	77,1
Levels 3-5 (permanent)	88	25	5	4,4
Levels 3-5 (temporary)	137	16	158	103,3
Levels 6-8 (permanent)	426	56	22	4,6
Levels 6-8 (temporary)	143	134	74	26,7
Levels 9-12 (permanent)	120	7	17	13,4
Levels 9-12 (temporary)	39	1	12	30,0
SMS Band A (permanent)	19	5	1	4,2
SMS Band A (temporary)	3	2	1	20,0
SMS Band B (permanent)	10	3	0	0,0
SMS Band B (temporary)	2	1	0	0,0
SMS Band C (permanent)	2	1	0	0,0
SMS Band D (permanent)	2	0	0	0,0
Total	2 190	823	1 645	54,6

Table 5.2 – Annual turnover rates by critical occupation

Occupation	Number of permanent & contract employees on 1 April 2002	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
IT Specialists	46	4	11	22,0
Economists	31	9	6	15,0
Statisticians	102	65	23	13,8
Total	179	78	40	15,6

Table 5.3 – Reasons why staff are leaving the department

Termination type	Number	Percentage of total resignations	Percentage of total permanent employees
Permanent staff			
Death	2	4,4	
Resignation	35	77,8	
Dismissal - operational changes	2	4,4	
Discharged due to ill health	3	6,7	
Retirement	3	6,7	
Total	45	100,0	6,6
Temporary staff			
Death	2	0,1	
Resignation	331	20,7	
Expiry of contract	1 258	78,6	
Dismissal - operational changes	8	0,5	
Dismissal - misconduct	1	0,1	
Total	1 600	100,0	

Table 5.4 – Promotions by critical occupation

Occupation	Number of employees on 1 April 2002	Promotions to another salary level		Notch progressions	
		Number	Percentage of total in occupation	Number	Percentage of total in occupation
IT specialists	46	4	8,7	1	2,2
Economists	31	4	12,9	0	0,0
Statisticians	102	10	9,8	1	1,0
Total	179	18	10,1	2	1,1

Table 5.5 – Promotions by salary band

Salary band	Number of employees on 1 April 2002	Promotions to another salary level		Notch progressions	
		Number	Percentage of total in the salary band	Number	Percentage of total in the salary band
Levels 1-2	1 199	0	0,0	0	0,0
Levels 3-5	225	2	0,9	0	0,0
Levels 6-8	569	16	2,8	5	0,9
Levels 9-12	159	21	13,2	0	0,0
Levels 13-16	38	0	8,0	8	21,1
Total	2 190	39	1,8	13	0,6

Employment equity

Table 6.1 – Total number of employees (incl. employees with disabilities) per occupational category

Occupational category	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Legislators, senior officials and managers	17	4	4	0	2	2	8	8	45
Professionals	181	125	8	5	10	5	57	66	457
Clerks	357	587	10	15	2	9	19	114	1 113
Technicians & associated professionals	18	118	2	1	1	2	8	8	158
Plant and machine operators and assemblers	13	3	0	0	0	0	2	0	18
Elementary occupations	31	13	2	0	0	0	2	2	50
Total	617	850	26	21	15	18	96	198	1 841
Employees with disabilities	1	0	0	0	0	0	0	3	4

Table 6.2 – Total number of employees (incl. employees with disabilities) per occupational band

Occupational band	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Top management	2	1	0	0	0	0	0	2	5
Senior management	17	6	4	1	1	2	10	3	44
Professionally qualified and experienced specialists and mid-management	53	26	5	2	6	2	30	31	155
Skilled technical and academically qualified workers, junior management, supervisors, foremen	87	237	11	7	8	9	35	152	546
Semi-skilled and discretionary decision-making	405	495	6	11	0	5	19	8	949
Unskilled and defined decision-making	53	85	0	0	0	0	2	2	142
Total	617	850	26	21	15	18	96	198	1 841

Table 6.3 – Recruitment

Occupational band	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Top management - permanent	1	0	0	0	0	0	0	0	1
Senior management - permanent	3	1	1	1	0	1	1	0	8
Senior management - temporary	3	0	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management - permanent	2	1	0	0	0	0	2	1	6
Professionally qualified and experienced specialists and mid-management - temporary	0	0	0	0	0	0	0	1	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen - permanent	27	22	2	0	0	0	2	4	57
Skilled technical and academically qualified workers, junior management, supervisors, foremen - temporary	38	57	3	1	0	1	11	15	126
Semi-skilled and discretionary decision-making - permanent	19	0	0	0	0	0	0	0	19
Semi-skilled and discretionary decision-making - temporary	15	5	0	0	0	0	3	1	24
Unskilled and defined decision-making - permanent	4	1	1	0	0	0	1	0	7
Unskilled and defined decision-making - temporary	161	357	2	8	0	0	17	26	571
Total	273	444	9	10	0	2	37	48	823
Employees with disabilities	1	1	0	0	0	0	0	0	2

Note: This recruitment information includes appointments made with donor funding.

Table 6.4 – Promotions

	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Top management	0	0	0	0	0	0	0	0	0
Senior management	1	1	0	0	0	0	2	3	7
Professionally qualified and experienced specialists and mid-management - permanent	12	9	0	0	1	1	6	1	30
Skilled technical and academically qualified workers, junior management, supervisors, foremen	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision-making	1	0	0	0	0	0	0	0	1
Total	14	10	0	0	2	1	8	4	39
Employees with disabilities	1	0	0	0	0	0	0	0	1

Table 6.5 – Terminations

Occupational band	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Senior management - permanent	1	0	0	0	0	0	0	0	1
Senior management - temporary	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management - permanent	5	3	0	0	0	0	2	4	14
Professionally qualified and experienced specialists and mid-management - temporary	4	0	0	0	1	1	3	0	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen - permanent	7	5	0	0	0	2	4	6	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen - temporary	30	24	0	2	0	2	4	4	66
Semi-skilled and discretionary decision making - permanent	2	1	0	0	0	0	0	2	5
Semi-skilled and discretionary decision-making - temporary	75	68	4	3	0	2	4	3	159
Unskilled and defined decision-making - permanent	0	1	0	0	0	0	0	0	1
Unskilled and defined decision-making - temporary	406	869	9	20	1	0	25	35	1 365
Total	531	971	13	25	2	7	42	54	1 645
Employees with disabilities	2	2	0	0	0	0	0	0	4

Note: This table includes terminations of donor-funded positions.

Table 6.6 – Disciplinary action

Disciplinary action	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Total	33	8	3	0	0	0	3	0	47

Performance rewards

Table 7.1 – Performance rewards by race, gender, and disability

	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)
African	562	343	61	1 515 929	4 420
Male	299	182	61	853 546	4 690
Female	263	161	61	662 382	4 114
Asian	19	18	95	134 100	7 450
Male	9	9	100	72 727	8 081
Female	10	9	90	61 373	6 819
Coloured	32	25	78	96 909	3 876
Male	20	15	75	51 067	3 404
Female	12	10	83	45 842	4 584
White	230	187	81	1 252 207	6 696
Male	54	45	83	339 764	7 550
Female	176	142	81	912 443	6 426
Employees with a disability	14	10	71	37 772	3 777
Total	843	573	68	2 999 144	5 234

Note: Employees with disabilities are shown as a separate group, but have also been included in the totals of the different race groups.

Table 7.2 – Performance rewards by salary band for personnel below Senior Management Service, 1 April 2002 to 31 March 2003

Salary bands	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)
Levels 1-2	44	20	45	33 196	1 660
Levels 3-5	211	110	52	242 443	2 204
Levels 6-8	464	341	73	1 755 452	5 148
Levels 9-12	124	102	82	968 054	9 491
Total	843	573	68	2 999 144	5 234

Table 7.3 – Performance rewards by critical occupation, 1 April 2002 to 31 March 2003

Critical occupations	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)
Economists	11	8	73	57 180	7 148
IT Specialists	30	22	73	105 434	4 792
Statisticians	121	92	76	583 111	6 338
Total	162	122	75	745 726	6 113

Table 7.4 – Performance related rewards (cash bonuses) by salary band for Senior Management Service

SMS band	Total number of employees appraised	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)
Band A	5	4	80	63 101	15 775

Foreign workers

Table 8.1 – Foreign workers by salary band

Salary band	1 April 2002		31 March 2003		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Levels 1-2	0	0,00	0	0,00	0	0,00
Levels 3-5	1	6,25	0	0,00	-1	-16,67
Levels 6-8	4	25,00	6	27,27	2	33,33
Levels 9-12	9	56,25	5	22,73	-4	-66,67
Levels 13-16	2	12,50	11	50,00	9	150,00
Total	16	100,00	22	100,00	6	100,00

Table 8.2 – Foreign workers by major occupation

Major occupation	1 April 2002		31 March 2003		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Senior officials & managers	3	18,75	6	27,27	3	50,00
Professionals	12	75,00	16	72,73	4	66,67
Clerks	1	6,25	0	0,00	-1	-16,67
Elementary occupations	0	0,00	0	0,00	0	0,00
Total	16	100,00	22	100,00	6	100,00

Leave utilisation

These figures include both permanent and contract employees

Table 9.1 – Sick leave, 1 January 2002 to 31 December 2002

Salary band	Total days	Percentage of days with medical certification	Employees using sick leave		Average days per employee	Estimated cost (R'000)
			Number	Percentage		
Levels 1-2	2 921	81,0	784	84,8	4	353
Levels 3-5	704	76,6	133	63,3	5	108
Levels 6-8	3 047	70,9	488	67,2	6	815
Levels 9-12	496	74,6	81	51,6	6	273
Levels 13-16	50	96,0	9	20,5	6	84
Total	7 218	75,9	1 495	72,5	5	1 633

Table 9.2 – Disability leave (temporary and permanent), 1 January 2002 to 31 December 2002

Salary band	Total days	Percentage of days with medical certification	Employees using disability leave		Average days per employee	Estimated cost (R'000)
			Number	Percentage		
Levels 3-5	86	100,0	3	1,4	29	11
Levels 6-8	286	95,1	18	2,8	16	84
Levels 9-12	22	81,8	2	1,3	11	13
Total	394	95,4	23	1,1	17	108

Table 9.3 – Annual leave, 1 January 2002 to 31 December 2002

Salary band	Total days	Average per employee	Employment
Levels 1-2	4 150	4	924
Levels 3-5	2 232	11	210
Levels 6-8	12 576	17	726
Levels 9-12	2 863	18	157
Levels 13-16	816	19	44
Total	22 637	11	2 061

Table 9.4 – Capped leave, 1 January 2002 to 31 December 2002

Salary band	Total days taken	Average days taken per employee	Number of employees with capped leave on 31 December 2002	Average capped leave per employee on 31 December 2002	Total number of days of capped leave available on 31 December 2002
Levels 1-2	135	1	0	0	0
Levels 3-5	294	2	41	33	1 335
Levels 6-8	1 487	12	334	44	14 838
Levels 9-12	65	1	84	57	4 755
Levels 13-16	54	0	30	64	1 909
Total	2 035	17	489	47	22 837

Table 9.5 – Leave payouts, 1 April 2002 to 31 March 2003

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Non-utilisation of leave for the previous cycle	743	182	4 082
Capped leave payouts on termination of service	266	11	24 182
Current leave payouts on termination of service	2 311	1 355	1 706
Total	3 320	1 548	2 145

HIV/AIDS and Health Promotion Programmes

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	N/A

Table 10.2 - Details of health promotion and HIV/AIDS programmes

Question	Yes/No	Details, if yes
1) Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide name and position.	YES	Ms Xoli Kunene, Manager: Employee Relations
2) Does the department have a dedicated unit or have you designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	YES	3 staff members and a budget of R949 354, including staff salaries.
3) Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	YES	Counselling Programme; HIV/Aids Programme, which includes wellness & prevention programmes; and Support Programmes, which include a bereavement programme, a retirement programme and a social plan
4) Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	YES	EAP Committee, comprising: Ms K Theo (Co-ordinator for EAP unit), Mr M Mnyaka (Head Office Representative), nine Provincial Office Co-ordinators, Ms E de Bruyn (PSA representative)
5) Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	YES	Generic recruitment policy has been reviewed.
6) Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	YES	The HIV/ AIDS Policy has been approved as a collective agreement. It addresses issues of discrimination. It provides for grievances and disciplinary action in cases of deviation.
7) Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	This will start in 2003/2004 financial year.	
8) Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	YES	Two baseline surveys were conducted, in head office and the provincial offices, to measure the impact of the HIV/Aids Programme. The following indicators are also being used to evaluate the impact of the programme: 1) No. of counselling sessions and cases closed; 2) Performance record for staff who are receiving or have received counselling; 3) No. of condoms distributed; 4) No. of HIV positive staff members that are revealing their status; 5) Feedback from staff on the Programme; 6) Feedback from family members of a bereaved staff member.

Labour relations

Table 11.1 – Collective agreements, 1 April 2002 to 31 March 2003

Subject	Date
Generic Recruitment Practice	16 September 2002
Job Evaluation Policy	16 September 2002
Official Journeys, Accommodation	16 September 2002
Affirmative Action Programme	16 September 2002

Note: These collective agreements were entered into with trade unions within the department.

Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2002 to 31 March 2003

Outcome of disciplinary hearings	Number	Percentage of total
Correctional counselling	0	0,0
Verbal warning	0	0,0
Written warning	9	19,1
Final written warning	24	51,1
Suspended without pay	1	2,1
Fine	0	0,0
Demotion	0	0,0
Dismissal	9	19,1
Not guilty	0	0,0
Case withdrawn	4	8,5
Total	47	100,0

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of total
Theft	2	4,3
Alcohol abuse	1	2,1
Misuse of motor vehicle / property	9	19,1
Unauthorised absence	4	8,5
Insubordination	1	2,1
Assault	2	4,3
Misrepresentation	1	2,1
Gross negligence	2	4,3
Email abuse	20	42,6
Motor vehicle accidents	5	10,6
Total	47	100,0

Table 11.4 – Grievances lodged for the period 1 April 2002 to 31 March 2003

	Number	Percentage of total
Number of grievances resolved	31	100,0
Number of grievances not resolved	0	0,0
Total number of grievances lodged	31	100,0

Table 11.5 – Disputes lodged with councils for the period 1 April 2002 to 31 March 2003

Disputes lodged	Number	Percentage of total
Disputes upheld	4	66,7
Disputes dismissed	2	33,3
Total	6	100,0

Table 11.6 – Strike actions for the period 1 April 2002 to 31 March 2003

None

Table 11.7 – Precautionary suspensions for the period 1 April 2002 to 31 March 2003

Number of people suspended	2
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	14
Total cost of suspensions (R'000)	7 055

Skills development

Table 12.1 – Training needs identified in the financial year 2002/2003, by occupation and gender of employee

Training needs identified	Occupational level												Total
	General office support		Admin & statistical support		Personal assistant		Manager		Executive manager		Professional		
	F	M	F	M	F	M	F	M	F	M	F	M	
Personal skills	63	111	538	398	23	0	13	12	7	0	217	250	1 632
Interactive skills	71	92	501	373	16	0	11	8	6	4	216	252	1 550
Management skills	182	267	1 704	1 207	70	0	32	34	17	5	612	756	4 886
Operational skills	57	100	623	430	26	0	17	11	6	6	240	269	1 785
Field-specific													
operational skills	174	283	1 675	1 158	61	0	21	24	18	3	540	736	4 693
Leadership skills	21	28	202	146	6	0	6	2	2	1	86	94	594
Total	568	881	5 243	3 712	202	0	100	91	56	19	1 911	2 357	15 140

Table 12.2 – Training provided in the financial year 2002/03, by occupation and gender

Training provided	Occupational level												Total
	Office support		Admin and statistical support		Manager		Executive manager		Professional		Undefined		
	F	M	F	M	F	M	F	M	F	M	F	M	
Personal skills	13	1	3	0	1	0	0	0	7	1	12	11	49
Interactive skills	6	3	3	1	1	1	0	1	1	0	7	6	30
Management skills	33	17	0	1	1	0	0	0	3	1	10	13	79
Operational skills	12	1	1	0	0	0	0	0	1	0	28	19	62
Field-specific													
operational skills	19	17	10	3	3	4	0	2	9	7	65	53	192
Total	83	39	17	5	6	5	0	3	21	9	122	102	412

Injuries

Table 13 – Injury on duty

Type of injury	Number of people
Required basic medical attention only	20
Fatal	1
Total	21

Consultants

Table 14 – Report on consultant appointments using appropriated funds

Project title	Number of consultants	Contract value in Rand
Verification and correction of structure on Persal	1	100 766
Space planning for move of department	5	915 588
Programming for census cash system	1	52 825
Management consulting	1	250 800
HR audit	3	90 242
Review of census cash payments	3	44 707
Forensic audit	3	134 949
Editor and publicity advisor	1	451 287
Strategic management consultant	2	21 140
Video production of census	3	77 611
Census @ Schools	1	570 005
Business register establishment	1	51 375
Coordination of IT training programme Pakistan	1	212 913
Integration of software and project management for census processing	37	14 439 990
Coding of causes of death for mortality programme	42	1 027 656
Legal advice	2	16 758
Communication strategy	2	28 500
Integration of software for census processing	1	72 462
Regionalisation of SA	-	1 295 800
Quality and methodology principles	1	100 087
Gender project	1	13 717
Sub-total	112	19 969 178
Census @ Schools project	-	5 106 278
Total		25 061 738

Part 4: Report of the Audit Committee



Report of the Audit Committee of Statistics South Africa

for the year ended 31 March 2003

The Audit Committee is established under statute in terms of the Public Finance Management Act of 1999, (PFMA). The National Treasury Regulations require the Audit Committee to comment in the annual report of Statistics South Africa on:

- the effectiveness of internal controls and the Internal Audit function,
- the quality of management reports, and
- the annual financial statements.

The Audit Committee held six meetings in this financial year, an additional informal meeting was held with senior management regarding the importance of the audit function and the control environment, and the Chair attended the hearing by SCOPA in August 2003.

Internal Control

In the Committee's last report covering the previous financial year (2001/02), we reported that there had been an apparent breakdown of the executive financial control of Stats SA, as well as an ineffective internal control environment and a resultant contravention of the Public Finance Management Act. We also reported that, in our opinion, management reports as presented to the Committee did not comply with statutory requirements for effective organisational control.

The Audit Committee remains concerned about the lack of organisational and financial control within the organisation. There is a need for serious intervention and an injection of strong organisational, financial and human resources skills. These are necessary to strengthen senior management and to complement the organisation's existing skills. In our opinion, failure to address these deficiencies will seriously jeopardise the organisation's ability to deliver on its mandate concerning the country's economic and official statistics.

Internal Audit

The Department of Internal Audit remains under-resourced. Although the staff are working in difficult circumstances and in a harsh control environment, we commend them for their dedication to their task and their high level of integrity. We have received some 50 reports during the year through them.

Management Reports

In our opinion, the inadequacy of the management reports remains unchanged.

Annual Financial Statements

In accordance with the Audit Committee's advisory role, the Audit Committee has met with the Minister to highlight what are, in the opinion of the Audit Committee, organisational weaknesses. In subsequent Audit Committee meetings during the course of the year, the Audit Committee has received repeated assurances that processes are now in place to ensure strong financial management. The Audit Committee notes that the willingness of the Stats SA Finance Department to implement new procedures has resulted in some improvement. However, the Auditor-General, Internal Audit and the Gobodo Inc Performance Audit report on human resources management raise issues that are also of concern to the Audit Committee. In light of the uncertainty identified in the audit report surrounding some 20 per cent of the total vote and more than 70 times their set materiality, the Audit Committee notes with some surprise that the final judgement by the Auditor General was one of qualification rather than being more severe.

Public Finance Management Act

There is still no risk management strategy and thus no system of risk management in place within the organisation. As this constitutes not only a breach of Treasury Regulation 3.2.1, as per the Auditor General's report, but also a breach of Section 38 of the Public Finance Management Act, 1999, the Audit Committee is concerned that this could be construed as Financial Misconduct in terms of Section 81 of the said Act.

This report was compiled by the non-executive members of the Audit Committee.

Non-executive external Audit Committee members:

Dr. Hilary Southall, BSc(Hons), MA, PhD (Audit Committee Chair)
Mr. Terrance Naidoo, CA, HDip(Tax)
Mr. Zach le Roux, CIA, CA, ACMA, CIAB
Prof. Sibusiso Vil-Nkomo, PhD

Executive Audit Committee members:

Mr. Pali Lehohla Statistician General, Statistics South Africa
Mr. Alfons Fanoë Chief Financial Officer, Statistics South Africa



Part 5: Financial Statements



Management report

for the year ended 31 March 2003

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

General review of the state of financial affairs

Sources of income

Four sources of income are reflected in the income statement:

- Appropriations
- General revenue
- Foreign aid assistance
- Contract work

Appropriations reflected in Estimates of National Expenditure

An initial amount of R272,154 million was voted for the 2002/03 financial year. This amount was increased during the Adjustment Budget to R360,234 million. Final expenditure on appropriations was R359,240 million for the financial year, resulting in a saving of R0,994 million. Of the additional appropriations, R50 million was part of the 2003/04 appropriations for census processing, but this had to be drawn down because census processing was running ahead of schedule.

General revenue

R1,287 million was collected on behalf of the general revenue fund.

Foreign aid assistance

R4,042 million was brought forward from the previous financial year. A further R3,758 million was received during this financial year. A total of R7,800 million was therefore available to finance the related projects. Expenditure incurred during 2002/03 came to R6,293 million. An amount of R1,507 million is still available for uncompleted projects.

Contract work

R25,670 million was brought forward from 2001/02 in respect of ongoing projects. A further amount of R5,777 million was received during this financial year. A total of R31,447 million was thus available for the specific projects. Expenditure of R26,212 million was incurred during the financial year. The balance of R5,235 million is in respect of incomplete projects.

Summary of financial performance

The income statement includes performance on appropriations, general revenue, foreign aid assistance and contract work. Although a surplus of R0,994 million was realised on appropriations and R1,287 million had been collected as general revenue by the end of the financial year, a negative net financial result of R20,689 million is reflected in the income statement. This is due to spending during the financial year of funds received from foreign aid assistance during previous financial years as well as from contract work, and consequently not reflected in the income statement.

Services rendered by the Department

The main activities of the Department during the financial year are detailed below:

National Accounts

- Quarterly gross domestic product estimates
- Annual gross domestic product estimates
- Annual supply & use tables
- Tourism satellite accounts
- Benchmarking gross domestic product estimates

Financial Statistics

- National Government Accounts statistics
- Provincial Government Accounts statistics
- Local Government Accounts statistics
- Non-financial Local Government statistics
- Private sector statistics

Trade and Industry Statistics

- Primary sector statistics
- Secondary sector statistics
- Tertiary sector statistics
- Tourism statistics

Employment Statistics

- Employment and earnings
- Average monthly earnings

Price Statistics

- Consumer price index (CPI)
- Production price index (PPI)

Social Statistics

- General household survey
- Master sample
- User-paid surveys
- Labour force surveys

Vital Statistics

- Birth, death, marriage and divorce statistics
- Tourism statistics

Population Statistics

- Thematic reports on fertility and mortality
- Population studies and projections

Achievements during the financial year

- A new sample frame for the survey of employment and earnings
- Compilation of a provincial GDP
- Improving industry statistics through new samples
- Analytical reports on rural development, the labour market, earning and spending, and small and micro enterprises
- A new master sample
- Geo-coding of businesses
- An enhanced spatial database and technology
- Completion of data processing of Census 2001 as promised.

Processing of Census 2001 results

The census questionnaire made provision for small-area information for seventy-four variables, fifty of which are related to individuals and twenty-four of which are related to households.

Processing of the census data occurred during the financial year and the results, after being reviewed by the Statistics Council, were released during July 2003.

Identified users were trained on Census '96 data to enable them to utilise the data from Census 2001. Web access is to be provided on a geographical framework.

Restructuring of the Department

Restructuring was initiated on a limited basis during 2001/02 and continued into 2002/03. It was essential to ensure no delays in the filling of posts. Consequently, needs had to be reprioritised in order to meet the costs of personnel.

Governance

A programme office was implemented to manage the activities and projects of the Department and to ensure the integration of planning and budgets. Staff members have been trained in project management methodologies and their new skills applied in several major projects. The programme office has developed a management information system.

Progress with financial management improvements

Due to financial pressures imposed by the relocation of the Department's premises and the restructuring of the Department, it had been necessary to centralise budget management. As from 2003/04, however, responsibilities for budget management have been devolved to management level through the programme managers. This is in order to represent the new management structure and budget management in the various programmes. The number of programmes on the vote has been increased from four to five.

Certain financial functions will be devolved to provincial level during 2003/04. The provincial financial officers are currently receiving training on the financial and payroll systems, which have already been made available at provincial offices. The first function to be devolved will be the maintenance and reconciliation of the cash accounts utilised during field surveys. This will enable the expenditure to be reconciled during the relevant accounting months. The present paper-based financial system does not cater for the management and accounting of the large amounts of cash used for fuel for hired motor vehicles and catering during training. A computerised system was therefore developed by the Department to replace it.

In response to point 3.4 of the Auditor-General's report, regarding insufficient documentation in support of journal entries totaling R65,4 million, the Department notes the concern. These journal entries were in respect of the following:

- entries passed to correct wrong allocation of expenditure;
- entries passed to recover indirect expenditure from various contract projects;
- entries passed to combine matching fields for subprojects into one field; and
- expenditure transferred from the mortality code created under both contract work and donors, to appropriation.

The Department maintains that all these entries were carried out according to normal accounting practice for secondary entries, but will endeavour to improve appropriate cross-referencing for such entries in future.

The audit disclaimer on the financial statements for 2001/02

Last year the Auditor-General did not express an opinion on the financial statements for 2001/02 because the auditors could not verify the validity, accuracy and completeness of R249 million that was paid to enumerators, due to insufficient records.

The amount of R249 million was, however, brought to account before a complete reconciliation was finalised. This amount had been obtained through a preliminary reconciliation in order that the expenditure could be accounted for in the year in which it occurred, so as to meet the requirements of the Public Finance Management Act (PFMA). Accounting for the expenditure could not be delayed for two years as occurred after Census '96. The Department has continued with a detailed reconciliation during 2002/03. Payments took place via three different sources: the Post Office, Standard Bank and in cash. Payments from all the different sources were combined per individual and linked with the actual questionnaires collected. This process was completed during June 2003.

Approval

The annual financial statements set out on pages 84 to 112 have been approved by the accounting officer.



P J Lehohla
Statistician-General (Accounting Officer)

31 July 2003



Report of the Auditor-General

to Parliament on the Financial Statements of Vote 13 – Statistics South Africa for the year ended 31 March 2003

1. Audit assignment

The financial statements as set out on pages 84 to 112, for the year ended 31 March 2003, 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, based on the audit.

2. Nature and scope

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit 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.

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.

3. Qualification

3.1 Tax payments could not be verified

I reported in the previous year that I could not verify payments to enumerators nor the related tax and levies [RP 148/2002, page 56, paragraph 3.1]. The accounting officer indicated that reconciliations relating to these payments continued during the year under review and would be completed in the next financial year. Therefore, I could not verify the validity of the deductions and relevant tax payments during the year under review.

3.2 Journal accounting entries

Appropriate documentation to support the validity and accuracy of journal accounting entries amounting to R65,4 million could not be submitted to audit.

3.3 Advances to provinces

I reported previously [RP 148/2002, page 57, paragraph 3.2], that an amount of R25,4 million in cash advances made to the provincial offices of the department for the purpose of cash payments to census field staff, was unreconciled at the end of the 2001-02 financial year. In this regard, included in note 14.5 to the financial statements is R1,3 million that remains unaccounted for. The accounting officer informed me that he is initiating an investigation to determine what the reasons are. Furthermore, journals used to allocate money from these suspense accounts to expenditure were not supported by appropriate documentation.

3.4 Personnel information

Audit evidence to verify the validity of payments on terminations was inadequate. It was also not practical to conduct alternative procedures because of the poor state of record keeping by the department as referred to in paragraphs 5.8 and 5.9.

Important information such as application forms, ID documents, certified copies of qualifications, etc. could not be found on the personnel files of newly appointed employees. Therefore the correct salary scales could also not be verified.

I reported similar matters as well as an investigation of ghost employees in the previous year [RP 148/2002, page 57, paragraph 3.3] and have received no information about progress on the latter.

4. Qualified audit opinion

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of Statistics South Africa at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5. Emphasis of matter

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

5.1 Irregular personnel expenditure

In terms of Treasury Regulation 6.3.1(a) personnel expenditure may not be increased without Treasury approval. No evidence could be submitted that Treasury approved the increase in personnel expenditure of R4,7 million.

5.2 New appointments

Section 9 of the Public Service Act requires that the executive authority or his delegate approve appointments. No evidence could be found that 31 appointments amounting to R2,4 million, included in our sample, had been approved as required.

5.3 Expenditure procured in contravention of tender procedures

State Tender Board Regulations were not complied with in the procurement of services amounting to R16,1 million, mainly supplied by one contractor.

5.4 Organisational structure

Paragraph B.2(a) of Part I of the Public Service Regulations (PSR) defines an approved establishment as the posts that an executive authority has approved to carry out the core and support functions of a department. In line with this, paragraph B.2(a) of Part III of the PSR requires the executive authority to determine the department's organisational structure in terms of its core and support functions. The department could not submit proof that its organisational structure had been approved as required.

5.5 Risk management strategy

No formal risk management strategy as required by Treasury Regulation 3.2.1 could be submitted for the year under review.

5.6 Creditors

Treasury Regulation 8.2.3 requires that all payments due to creditors be settled within 30 days from receipt of the invoices. Invoices amounting to R2,7 million included in the audit sample were not paid within the prescribed period.

5.7 Irregular expenditure

Irregular expenditure incurred in contravention of tender procedures in the previous year had still not been brought to the attention of the State Tender Board.

5.8 Material internal control weaknesses

Various internal control weaknesses were identified during the audit and brought to the attention of the accounting officer, for example: a lack of segregation of duties existed where persons initiated expense transactions and also captured it on the system; delegations of authority were inadequate; the asset register was not complete and managers at pay points did not always certify payrolls to ensure that payments made to employees were valid.

5.9 Financial management

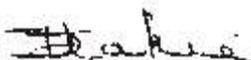
As was reported in the previous year, the current audit was delayed unnecessarily as a result of the fact that documents were not readily available and records were incomplete.

5.10 Late finalisation of audit report

The audit report was initially finalised on 31 July 2003, but after this date the accounting officer made further representations and requested that I consider these. Consequently minor amendments were made to the originally approved report as a result of these further representations.

6. Appreciation

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



SA Fakie
Auditor-General
Pretoria
26/09/2003

Statement of accounting policies and related matters

for the year ended 31 March 2003

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act, and the Division of Revenue Act, Act 5 of 2002.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash system, transactions and other events are recognised when cash is received or paid. Under the accrual system, transactions and other events are recognised when incurred and not when cash is received or paid.

2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of National/Provincial Expenditure. Unexpended voted funds are surrendered to the National/Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends received from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and are then transferred to the National/Provincial Revenue Fund.

3. Donor aid

Donor Aid is recognised in the income statement in accordance with the cash basis of accounting.

4. Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

5. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.

6. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

7. Capital expenditure

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed, i.e. written off in the income statement, when the payment is made.

8. Investments

Marketable securities are carried at market value, which in turn is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

Non-current investments, excluding marketable securities, are shown at cost and adjustments are made only where, in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

Increases in the carrying amount of marketable securities classified as non-current assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same marketable security are charged to the income statement. Increases/decreases in the carrying amount of marketable securities classified as current assets are credited/charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. On disposal of a marketable security classified as a non-current asset, amounts in revaluation and other reserves relating to that marketable security are transferred to retained earnings.

9. Investments in controlled entities

These are entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- to appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- to appoint or remove the entity's chief executive officer;
- to cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- to control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

10. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables arising from cash payments recoverable from another party are included in the balance sheet. Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, because the financial statements are prepared on a cash basis of accounting. Instead, they are disclosed separately in the notes to enhance the usefulness of the financial statements.

11. Payables

Payables are not normally recognised under the cash basis of accounting. However, payables arising from cash receipts due to either the Provincial/National Revenue Fund or another party are included in the balance sheet.

12. Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

13. Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised as a liability in the balance sheet or as expenditure in the income statement due to the financial statements being prepared on the cash basis of accounting.

14. Accruals

This amount represents goods/services that have been delivered, but for which no invoice has been received from the supplier at year end, OR for which an invoice has been received but remains unpaid at year end. These amounts are not recognised as a liability in the balance sheet or as expenditure in the income statement because the financial statements are prepared on a cash basis of accounting. They are, however, disclosed.

15. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits that give rise to a present legal or constructive obligation are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

Termination benefits

These are recognised and expensed only when the payment is made.

Retirement benefits

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The Department will contribute towards the medical aid subscription of any permanent employee. Not all permanent employees, however, are medical aid members. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Retirement medical benefits for retired members are expensed when the payment is made to the fund.

16. Capitalisation reserve

This represents an amount equal to the value of the investments and/or loans capitalised, or deposits paid on behalf of employees of a foreign mission, for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

17. Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which has now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as they are received.

18. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. 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.

Appropriation statement

for the year ended 31 March 2003

Programme	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Special functions	-	-	-	2 397	(2 397)	0,00	-	2 957
Current	-	-	-	2 397	(2 397)	0,00	-	2 957
Capital	-	-	-	-	-	0,00	-	-
1. Administration	82 940	-	82 940	82 110	830	99,00	53 127	53 029
Current	73 615	-	73 615	77 428	(3 813)	105,18	46 787	48 088
Capital	9 325	-	9 325	4 682	4 643	50,21	6 340	4 941
2. Statistical services	127 244	-	127 244	124 992	2 252	98,23	100 083	100 081
Current	111 244	-	111 244	116 450	(5 206)	104,68	93 403	95 040
Capital	16 000	-	16 000	8 542	7 458	53,39	6 680	5 041
3. Population census	149 400	-	149 400	149 332	68	99,95	622 288	741 391
Current	136 180	-	136 180	143 518	(7 338)	105,39	563 892	680 573
Capital	13 220	-	13 220	5 814	7 406	43,98	58 396	60 818
4. Auxiliary & associated services	650	-	650	409	241	62,92	502	479
Current	650	-	650	409	241	62,92	494	475
Capital	-	-	-	-	-	0,00	8	4
Total	360 234	-	360 234	359 240	994		776 000	897 937

Economic classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	321 689	-	321 689	340 202	(18 513)	105,75	704 576	827 133
Personnel	153 296	-	153 296	158 059	(4 763)	103,11	144 802	160 110
Transfer payments	1	-	1	-	1	0,00	2	-
Other	168 392	-	168 392	182 143	(13 751)	108,17	559 772	667 023
Capital	38 545	-	38 545	19 038	19 507	49,39	71 424	70 804
Transfer payments	-	-	-	-	-	0,00	-	-
Acquisition of capital assets	38 545	-	38 545	19 038	19 507	49,39	71 424	70 804
Total	360 234	-	360 234	359 240	994		776 000	897 937

Standard item classification	2002/03					2001/02		
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Personnel	153 296	-	153 296	158 059	(4 763)	103,11	144 802	160 110
Administrative	43 048	-	43 048	46 665	(3 617)	108,40	121 244	163 463
Inventories	49 056	-	49 056	48 110	946	98,07	51 098	51 534
Equipment	45 690	-	45 690	27 891	17 799	61,04	71 424	75 891
Land and buildings	420	-	420	665	(245)	158,33	417	418
Professional and special services	67 037	-	67 037	75 447	(8 410)	112,55	387 013	443 553
Transfer payments	1	-	1	-	1	0,00	2	-
Miscellaneous	1 686	-	1 686	6	1 680	0,36	-	11
Special functions	-	-	-	2 397	(2 397)	0,00	-	2 957
Total	360 234	-	360 234	359 240	994		776 000	897 937

Special functions

Subprogramme	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Special functions	-	-	-	2 397	(2 397)	0,00	-	2 957
Current	-	-	-	2 397	(2 397)	0,00	-	2 957
Capital	-	-	-	-	-	0,00	-	-
Total	-	-	-	2 397	(2 397)		-	2 957

Economic classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	-	-	-	2 397	(2 397)	0,00	-	2 957
Personnel					-	0,00	-	
Transfer payments					-	0,00	-	
Other				2 397	(2 397)	0,00	-	2 957
Capital	-	-	-	-	-	0,00	-	-
Transfer payments						0,00		
Acquisition of capital assets						0,00		
Total	-	-	-	2 397	(2 397)		-	2 957

Standard item classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Personnel	-	-	-	-	-	0,00	-	-
Administration	-	-	-	-	-	0,00	-	-
Inventories	-	-	-	-	-	0,00	-	-
Equipment	-	-	-	-	-	0,00	-	-
Land and buildings	-	-	-	-	-	0,00	-	-
Professional and special services	-	-	-	-	-	0,00	-	-
Transfer payments	-	-	-	-	-	0,00	-	-
Miscellaneous	-	-	-	-	-	0,00	-	-
Special functions	-	-	-	2 397	(2 397)	0,00	-	2 957
Total	-	-	-	2 397	(2 397)		-	2 957

Programme 1: Administration

Subprogramme	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Executive management	13 384	-	13 384	14 902	(1 518)	111,34	7 636	7 635
Current	13 384		13 384	14 902	(1 518)	111,34	7 057	7 222
Capital	-		-	-	-	0,00	579	413
Corporate services	69 556	-	69 556	67 208	2 348	96,62	45 491	45 394
Current	60 231		60 231	62 526	(2 295)	103,81	39 730	40 866
Capital	9 325		9 325	4 682	4 643	50,21	5 761	4 528
Total	82 940	-	82 940	82 110	830		53 127	53 029

Economic classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	73 615	-	73 615	77 428	(3 813)	105,18	46 787	48 088
Personnel	35 339		35 339	35 522	(183)	100,52	24 003	24 002
Transfer payments	-		-	-	-	0,00	-	-
Other	38 276		38 276	41 906	(3 630)	109,48	22 784	24 086
Capital	9 325	-	9 325	4 682	4 643	50,21	6 340	4 941
Transfer payments	-		-	-	-	0,00	-	-
Acquisition of capital assets	9 325		9 325	4 682	4 643	50,21	6 340	4 941
Total	82 940	-	82 940	82 110	830		53 127	53 029

Standard item classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Personnel	35 339	-	35 339	35 522	(183)	100,52	24 003	24 002
Administration	14 002	-	14 002	17 547	(3 545)	125,32	14 684	14 586
Inventories	1 826	-	1 826	1 708	118	93,54	1 345	1 333
Equipment	19 091	-	19 091	9 801	9 290	51,34	6 340	6 353
Land and buildings	302	-	302	271	31	89,74	139	139
Professional and special services	12 380	-	12 380	17 260	(4 880)	139,42	6 616	6 616
Transfer payments	-	-	-	-	-	0,00	-	-
Miscellaneous	-	-	-	1	(1)	0,00	-	-
Special functions	-	-	-	-	-	0,00	-	-
Total	82 940	-	82 940	82 110	830		53 127	53 029

Programme 2: Statistical services

Subprogramme	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Economic Statistics	25 555	-	25 555	24 666	889	96,52	29 558	29 556
Current	25 555		25 555	24 666	889	96,52	27 811	27 961
Capital	-		-	-	-	0,00	1 747	1 595
National Accounts	12 153	-	12 153	12 537	(384)	103,16	8 361	8 358
Current	12 153		12 153	12 537	(384)	103,16	7 931	7 941
Capital	-		-	-	-	0,00	430	417
Demographic Statistics	16 000	-	16 000	8 502	7 498	53,14	-	-
Current	-		-	-	-	0,00	-	-
Capital	16 000		16 000	8 502	7 498	53,14	-	-
Household Surveys	36 138	-	36 138	35 418	720	98,01	27 643	27 656
Current	36 138		36 138	35 378	760	97,90	25 409	26 423
Capital	-		-	40	(40)	0,00	2 234	1 233
Research & Development	12 522	-	12 522	13 892	(1 370)	110,94	6 576	6 575
Current	12 522		12 522	13 892	(1 370)	110,94	5 996	6 175
Capital	-		-	-	-	0,00	580	400
Provincial Offices	24 876	-	24 876	25 977	(1 101)	104,43	22 808	22 802
Current	24 876		24 876	25 977	(1 101)	104,43	21 512	21 790
Capital	-		-	-	-	0,00	1 296	1 012
Management Programme 2	-	-	-	4 000	(4 000)	0,00	5 137	5 134
Current	-		-	4 000	(4 000)	0,00	4 744	4 750
Capital	-		-	-	-	0,00	393	384
Total	127 244	-	127 244	124 992	2 252		100 083	100 081

Economic classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	111 244	-	111 244	116 450	(5 206)	104,68	93 403	95 040
Personnel	71 084		71 084	73 315	(2 231)	103,14	57 909	57 905
Transfer payments	-		-	-	-	0,00	-	-
Other	40 160		40 160	43 135	(2 975)	107,41	35 494	37 135
Capital	16 000	-	16 000	8 542	7 458	53,39	6 680	5 041
Transfer payments	-		-	-	-	0,00	-	-
Acquisition of capital assets	16 000		16 000	8 542	7 458	53,39	6 680	5 041
Total	127 244	-	127 244	124 992	2 252		100 083	100 081

Standard item classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Personnel	71 084	-	71 084	73 315	(2 231)	103,14	57 909	57 905
Administrative	17 457	-	17 457	17 970	(513)	102,94	23 110	23 123
Inventories	6 512	-	6 512	7 153	(641)	109,84	4 204	4 197
Equipment	12 003	-	12 003	9 730	2 273	81,06	6 680	6 679
Land and buildings	31	-	31	116	(85)	374,19	83	82
Professional and special services	20 157	-	20 157	16 707	3 450	82,88	8 097	8 094
Transfer payments	-	-	-	-	-	0,00	-	-
Miscellaneous	-	-	-	1	(1)	0,00	-	1
Special functions	-	-	-	-	-	0,00	-	-
Total	127 244	-	127 244	124 992	2 252		100 083	100 081

Programme 3: Population census

Subprogramme	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Planning & Operations	57 525	-	57 525	61 905	(4 380)	107,61	413 702	500 691
Current	57 525		57 525	60 038	(2 513)	104,37	403 765	492 131
Capital	-		-	1 867	(1 867)	0,00	9 937	8 560
GIS & Mapping	7 618	-	7 618	7 461	157	97,94	44 350	48 101
Current	7 618		7 618	7 453	165	97,83	40 459	44 269
Capital	-		-	8	(8)	0,00	3 891	3 832
Dissemination	1 736	-	1 736	602	1 134	34,68	2 860	2 885
Current	1 736		1 736	506	1 230	29,15	2 631	2 663
Capital	-		-	96	(96)	0,00	229	222
Processing	66 013	-	66 013	64 582	1 431	97,83	50 188	66 006
Current	52 793		52 793	60 856	(8 063)	115,27	16 553	28 020
Capital	13 220		13 220	3 726	9 494	28,18	33 635	37 986
Administration	16 508	-	16 508	14 782	1 726	89,54	111 188	123 708
Current	16 508		16 508	14 665	1 843	88,84	100 484	113 490
Capital	-		-	117	(117)	0,00	10 704	10 218
Total	149 400	-	149 400	149 332	68		622 288	741 391

Economic classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	136 180	-	136 180	143 518	(7 338)	105,39	563 892	680 573
Personnel	46 873		46 873	49 222	(2 349)	105,01	62 890	78 203
Transfer payments	-		-	-	-	0,00	-	-
Other	89 307		89 307	94 296	(4 989)	105,59	501 002	602 370
Capital	13 220	-	13 220	5 814	7 406	43,98	58 396	60 818
Transfer payments	-		-	-	-	0,00	-	-
Acquisition of capital assets	13 220		13 220	5 814	7 406	43,98	58 396	60 818
Total	149 400	-	149 400	149 332	68		622 288	741 391

Standard item classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Personnel	46 873	-	46 873	49 222	(2 349)	105,01	62 890	78 203
Administrative	11 307	-	11 307	10 934	373	96,70	83 167	125 475
Inventories	40 718	-	40 718	39 248	1 470	96,39	45 549	46 004
Equipment	14 596	-	14 596	8 360	6 236	57,28	58 396	62 855
Land and buildings	87	-	87	278	(191)	319,54	195	195
Professional and special services	34 133	-	34 133	41 286	(7 153)	120,96	372 091	428 649
Transfer payments	-	-	-	-	-	0,00	-	-
Miscellaneous	1 686	-	1 686	4	1 682	0,24	-	10
Special functions	-	-	-	-	-	0,00	-	-
Total	149 400	-	149 400	149 332	68		622 288	741 391

Programme 4: Auxiliary services

Subprogramme	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Statistics Council	649	-	649	409	240	63,02	502	479
Current	649		649	409	240	63,02	494	475
Capital	-		-	-	-	0,00	8	4
Marketing & Dissemination Trading Account	1	-	1	-	1	0,00	-	-
Current	1		1	-	1	0,00	-	-
Capital	-		-	-	-	0,00	-	-
Total	650	-	650	409	241		502	479

Economic classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Current	650	-	650	409	241	62,92	494	475
Personnel	-		-	-	-	0,00	-	-
Transfer payments	1		1	-	1	0,00	2	-
Other	649		649	409	240	63,02	492	475
Capital	-	-	-	-	-	0,00	8	4
Transfer payments	-		-	-	-	0,00	-	-
Acquisition of capital assets	-		-	-	-	0,00	8	4
Total	650	-	650	409	241		502	479

Standard item classification	2002/03						2001/02	
	Adjusted appropriation R'000	Virement R'000	Revised allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised allocation R'000	Actual expenditure R'000
Personnel	-	-	-	-	-	0,00	-	-
Administrative	282	-	282	214	68	75,89	283	279
Inventories	-	-	-	1	(1)	0,00	-	-
Equipment	-	-	-	-	-	0,00	8	4
Land and buildings	-	-	-	-	-	0,00	-	2
Professional and special services	367	-	367	194	173	52,86	209	194
Transfer payments	1	-	1	-	1	0,00	2	
Miscellaneous	-	-	-	-	-	0,00		
Special functions	-	-	-	-	-	0,00		
Total	650	-	650	409	241		502	479

Notes to the appropriation statement

for the year ended 31 March 2003

1. Details of Special Functions (theft and losses)

Details of these transactions per programme can be viewed in notes 10.2 and 10.3 (Details of Special Functions) to the annual financial statements.

2. Explanations of material variances from amount voted (after virement)

2.1 Per programme

Programme 2:	R2,252 million saving on GIS project. Part of this amount will be used to fund the losses under Special Functions. The balance will be rolled over for continuation of the GIS project.
Special Functions:	Losses and damages amounting to R2,397 million to be financed from savings under Programmes 1 and 2.

2.2 Per standard item

Personnel:	A negative variance of R4,763 million due to restructuring of the Department and the need to apply additional human resources to the processing of census data.
Administrative:	Overspent by R3,617 million. A large portion of the cash expenditures incurred during 2001/02 on Census 2001 activities were reconciled and brought to account only during 2002/03. These consisted mostly of travel, accommodation and training costs, which are part of administrative costs.
Equipment:	A saving of R17,799 million due to the increase in professional services utilised in the relocation of the Department and to complete the processing of census data.
Professional and Special Services:	Overspending by R8,410 million due to additional needs created by office relocation and processing of census data.
Miscellaneous:	A saving of R1,680 million which was provided as a contingency for costs pertaining to pending legal action.

3. Reconciliation of appropriation statement to income statement

	2002/03 R'000	2001/02 R'000
Total expenditure per appropriation statement	359 240	897 937
Add: foreign aid assistance (including RDP funds)	6 293	4 046
Add: contract work	26 212	1 418
Actual expenditure per income statement	391 745	903 401

Income statement

for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
Revenue			
Voted funds			
		360 234	776 000
Charge to National Revenue Fund	1	360 234	776 000
Non-voted funds			
		10 822	21 137
Other revenue to be surrendered to the revenue fund	2	1 287	538
Foreign aid assistance (including RDP funds)	3.1	3 758	3 531
Contract work	3.2	5 777	17 068
Total revenue		371 056	797 137
Expenditure			
Current			
		372 707	832 727
Personnel	4	158 058	160 110
Administrative		46 665	163 463
Inventories	5	48 111	51 534
Machinery and equipment	6	9 027	5 217
Land and buildings	7	665	418
Professional and special services	8	75 273	443 553
Miscellaneous	9	6	11
Special functions: authorised losses	10	2 397	2 957
Local and foreign aid assistance (including RDP funds)	3.1	6 293	4 046
Contract work	3.2	26 212	1 418
Capital			
		19 038	70 674
Machinery and equipment	6	18 864	70 674
Professional and special services	8	174	-
Total expenditure		391 745	903 401
Net surplus/(deficit)		(20 689)	(106 264)
Add back unauthorised and fruitless and wasteful expenditure disallowed	11.1	-	121 937
Net (deficit)/surplus for the year	12	(20 689)	15 673

Balance sheet

at 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
Assets			
Current assets			
		167 208	216 856
Unauthorised, and fruitless and wasteful expenditure	11	158 103	158 072
Cash and cash equivalents	13	106	81
Receivables	14	8 923	58 703
Revenue funds to be requested	16	76	-
Total assets		167 208	216 856
Liabilities			
Current liabilities			
		160 466	187 145
Voted funds to be surrendered	15	994	-
Revenue funds to be surrendered	16	-	85
Bank overdraft	17	159 136	177 053
Payables	18	336	10 007
Total liabilities		160 466	187 145
Net assets/equity		6 742	29 711
Equity			
Aid assistance rolled over	3.1	1 508	4 079
Contract work	3.2	5 234	25 632
Total net assets/equity		6 742	29 711

Statement of changes in net assets/equity

for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
Local and foreign aid assistance (including RDP funds)			
rolled over			
Opening balance		4 079	4 594
Reallocation of opening balance		(37)	-
Revised opening balance	3.1	4 042	4 594
Received during the year	3.1	3 758	3 531
Transfer to/from other reserves	3.1	(6 293)	(4 046)
Closing balance		1 507	4 079
Contract work			
Opening balance		25 632	9 982
Reallocation of opening balance		38	-
Revised opening balance	3.2	25 670	9 982
Received during the year	3.2	5 777	17 068
Transfers	3.2	(26 212)	(1 418)
Closing balance		5 235	25 632
Total equity		6 742	29 711

Cash flow statement

for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
Cash flows from operating activities			
		59 949	(94 422)
Net cash flow generated by operating activities	19	20 032	70 674
Cash generated/(utilised) to (increase)/decrease working capital	20	40 911	(165 096)
Voted funds and revenue funds surrendered	21	(994)	-
Cash flows from investing activities			
Capital expenditure		(19 038)	(70 674)
Net cash flows from operating and investing activities		40 911	(165 096)
Cash flows from financing activities			
Proceeds from local and foreign aid assistance and contract work		(22 970)	15 134
Net increase/(decrease) in cash and cash equivalents		17 941	(149 962)
Cash and cash equivalents at beginning of period		(176 972)	(27 010)
Cash and cash equivalents at end of period	13	(159 031)	(176 972)

Notes to the annual financial statements

for the year ended 31 March 2003

1. Charge to National Revenue Fund

Included in the above are funds specifically and exclusively appropriated for National Departments (voted funds):

Programmes	Total appropriation 2002/03 R'000	Actual R'000	Variance over/(under) R'000	Total appropriation 2001/02 R'000
Programme 1	82 940	82 110	830	53 127
Programme 2	127 244	124 992	2 252	100 083
Programme 3	149 400	149 332	68	622 288
Programme 4	650	409	241	502
Special functions	-	2 397	(2 397)	-
Total	360 234	359 240	994	776 000

1.1 Explanation of material variances, including whether or not application will be made for a rollover

The variance under Programme 2 is due to a delayed tender process relating to an enhancement of the geographical information system (GIS) infrastructure.

The variance under special functions is due to losses and damages that emanated mainly from the undertaking of Census 2001 fieldwork.

The net saving will be requested as a rollover into 2003/04, to be utilised for continuation of the GIS project.

2. Other revenue to be surrendered to the Revenue Fund

	2002/03 R'000	2001/02 R'000
Cheques written back and stale cheques	154	193
Parking	14	-
Departmental revenue	189	316
Income capital	46	-
Previous financial year expenditure	626	-
Interest received	114	29
Auction income	69	-
Commission on debit orders	66	-
Waste paper	9	-
	1 287	538

2.1 Gifts, donations and sponsorships received in kind by the Department, excluding RDP funds (total not included above)

Nature of gifts, donations and sponsorship	2002/03 R'000	2001/02 R'000
Used motor vehicles from SIDA	414	-
	414	-

3. Foreign aid assistance (including RDP) and contract work

3.1 Foreign aid assistance

3.1.1 Assistance received in cash

Donor and purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing balance R'000
Switzerland - non-financial local govt census	-	1 913	446	1 467
Switzerland - local govt capacity building	2 593	-	2 569	24
OECD - Paris 21	37	137	138	36
SADC - tourism satellite account	3	-	3	-
Sweden - various	144	2	199	(53)
Norway - time series & gender studies	1 265	1 706	2 938	33
	4 042	3 758	6 293	1 507

Analysis of balance	2002/03 R'000	2001/02 R'000
Amounts owing by donors	(53)	-
Amounts owing to donors	1 560	4 042
Assistance rolled over	1 507	4 042

3.1.2 Assistance received in kind (Value not included in the income statement)

Donor and purpose	2002/03 R'000	2001/02 R'000
Sweden - used vehicles	6 250	9 000
	6 250	9 000

3.2 Contract work

3.2.1 Funds received

Contractor and purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing balance R'000
Dept of Agriculture:				
- Master sample	716	-	716	-
- Pilot survey	65	-	65	-
- National agricultural survey	2 570	-	2 570	-
- Agricultural census	16 654	-	11 450	5 204
Dept of Home Affairs:				
- Death certificate	41	-	41	-
- Mortality project	-	3 000	3 000	-
Dept of Transport:				
- National travel survey	-	1 000	972	28
- Transport survey (Trafman project)	947	1 516	2 463	-
Dept of Environmental Affairs - tourism	231	-	231	-
Dept of Safety & Security - victims of crime	373	-	373	-
IEC - GIS	844	-	844	-
KZN Dept of Social Development - vital child survey	37	-	37	-
Interdepartmental Business Register	2 497	-	2 494	3
JBCC - prices	695	261	956	-
	25 670	5 777	26 212	5 235

Analysis of balance	2002/03 R'000	2001/02 R'000
Amounts owing by contractors	-	-
Amounts owing to contractors	5 235	25 670
Funds rolled over	5 235	25 670

4. Personnel

	2002/03 R'000	2001/02 R'000
Basic salary costs	133 011	143 564
Pension contributions	10 363	8 108
Medical aid contributions	4 548	3 813
Other salary-related costs	10 136	4 625
	158 058	160 110

	2002/03	2001/02
Average number of employees	1 887	3 031

5. Inventories

	2002/03 R'000	2001/02 R'000
Inventories purchased during the year	<u>48 111</u>	<u>51 534</u>

5.1 Inventories on hand at year-end

(costing method used: weighted average)

	2002/03 R'000	2001/02 R'000
Inventory	<u>706</u>	<u>-</u>

6. Machinery and equipment

	Note	2002/03 R'000	2001/02 R'000
Current (rentals, maintenance and sundry net of cash discounts)		9 027	5 217
Capital	6.1	18 864	70 674
Total current and capital expenditure		<u>27 891</u>	<u>75 891</u>

6.1 Capital machinery and equipment analysed as follows:

	2002/03 R'000	2001/02 R'000
Computer equipment	15 405	51 343
Furniture and office equipment	1 322	18 047
Cellphones: purchases	67	1 227
Software and licences	2 070	-
Transport	-	57
	<u>18 864</u>	<u>70 674</u>

7. Land and buildings

	2002/03 R'000	2001/02 R'000
Rental	665	418
Total current expenditure	<u>665</u>	<u>418</u>

8. Professional and special services

	2002/03 R'000	2001/02 R'000
Current	75 273	443 553
Auditors' remuneration	1 143	45
Contractors	200	86
Consultants and advisory services	35 479	131 401
Security services	4 467	5 653
Computer services	8 024	4 331
Survey expenditure	16 624	298 065
Vehicle tracking	324	-
Repair services	8 546	-
Other (media & cleaning services)	466	3 972
Capital		
Repair services - building maintenance	175	-
Total professional and special services	75 448	443 553

9. Miscellaneous

Current expenditure	Note	2002/03 R'000	2001/02 R'000
Remissions, refunds and payments made as an act of grace	9.1	6	11

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

	2002/03 R'000	2001/02 R'000
Damages paid for breach of confidentiality		10
Gifts for delegates		1
Claims against the state - payment for employees' losses incurred whilst on official duty	6	-
	6	11

10. Special functions: authorised losses

	Note	2002/03 R'000	2001/02 R'000
Other material losses written off	10.1	2 045	2 935
Debts written off	10.2	37	22
Special functions (theft and losses)	10.3	315	-
		2 397	2 957

10.1 Other material losses written off in income statement in current period

Nature of losses	2002/03 R'000	2001/02 R'000
Damages and losses emanating from censuses	2 045	2 935
	2 045	2 935

10.2 Debts written off

Nature of debts written off	2002/03 R'000	2001/02 R'000
Irrecoverable claims (insufficient documentation - FMS)	20	-
Deceased debtor and uneconomical debts	16	-
Irrecoverable amounts paid to defunct medical funds	1	-
Debt owing by late employees	-	19
	37	19

10.3 Details of special functions (theft and losses)

Per programme	2002/03 R'000	2001/02 R'000
Programme 2 - vehicle accidents	288	-
Supplier overpayments - claims could not be substantiated due to lack of supporting documents	27	-
	315	-

11. Unauthorised and fruitless and wasteful expenditure disallowed

	Note	2002/03 R'000	2001/02 R'000
Unauthorised expenditure	11.1	158 072	158 072
Fruitless and wasteful expenditure	11.2	31	-
		158 103	158 072

11.1 Unauthorised expenditure

Incident	Disciplinary/Criminal steps taken	2002/03 R'000	2001/02 R'000
Over-expenditure on Statistics Council	Scopa approached and feedback not received	8	8
Over-expenditure on Statistics Council	Scopa approached and feedback not received	13	13
Over-expenditure on Census '96	Scopa approached and feedback not received	36 114	36 114
Over-expenditure on Census 2001	Waiting for recommendation from Scopa	121 937	121 937
		158 072	158 072

11.2 Fruitless and wasteful expenditure

Incident	Disciplinary/Criminal steps taken	2002/03 R'000	2001/02 R'000
Payment for notice of accommodation (official passed away while on duty)	No step taken as employee deceased	2	-
Compensation for lost revenue - duplicate order	Currently under investigation	29	-
		31	-

12. Analysis of (deficit)/surplus for the year

	2002/03 R'000	2001/02 R'000
Voted funds to be surrendered to the National/Provincial Revenue Fund	994	-
Non-voted funds:	(21 683)	15 673
Other revenue to be surrendered to the Revenue Fund	1 287	538
Foreign aid assistance written back	(2 535)	(515)
Contract work written back to income statement	(20 435)	15 650
	(20 689)	15 673

13. Cash and cash equivalents

	2002/03 R'000	2001/02 R'000
Cash with commercial banks	50	50
Paymaster General Account	(159 136)	(177 053)
Cash on hand	55	31
	(159 031)	(176 972)

14. Receivables - current

	Note	2002/03 R'000	2001/02 R'000
Amounts owing by other departments	14.2	2 985	589
Staff debtors	14.3	2 558	1 339
Other debtors	14.4	1 386	30 765
Advances	14.5	1 994	26 010
		8 923	58 703

14.1 Age analysis – receivables current

	2002/03 R'000	2001/02 R'000
Less than one year	6 889	58 507
One to two years	1 747	192
More than two years	268	4
Doubtful debts	19	-
	8 923	58 703

14.2 Amounts owing by other departments

	2002/03 R'000	2001/02 R'000
South African Revenue Services	2 827	
Unemployment Insurance Fund	156	
Workmen's Compensation Fund	2	
	2 985	

14.3 Staff debtors

	2002/03 R'000	2001/02 R'000
Tax debts	882	280
Other	1 676	1 059
	2 558	1 339

14.4 Other debtors

	2002/03 R'000	2001/02 R'000
Trade debtors - suppliers' disallowance	614	30 127
Medical aids	8	
First National Bank	5	-
First National Bank - QED deposit account	4	-
Claims recoverable	227	-
Thefts & losses in suspense	528	638
	1 386	30 765

14.5 Advances

Nature of advances	2002/03 R'000	2001/02 R'000
S&T advances	35	269
Census cash floats	1 325	25 000
Business address register	1	207
Cash floats - projects	634	534
	1 995	26 010

15. Voted funds to be surrendered to/ requested from treasury

	2002/03 R'000	2001/02 R'000
Opening balance	-	(2 530)
Transfer from income statement	994	-
Voted funds not requested/ not received	-	2 530
Paid during the year	-	-
Closing balance	994	-

16. Revenue funds to be (requested)/surrendered

	2002/03 R'000	2001/02 R'000
Opening balance	85	36
Transfer from income statement for revenue to be surrendered	1 287	538
Paid during the year	(1 448)	(489)
Closing balance	(76)	85

17. Bank overdraft

	2002/03 R'000	2001/02 R'000
Paymaster General Account (exchequer account)	159 136	177 053

18. Payables

	2002/03 R'000	2001/02 R'000
South African Revenue Service	-	9 010
Regional services council levies	-	809
Receivable income	65	141
Receivable interest	128	25
Unallocated received	85	-
Cancelled cheques/EBT for re-issue	1	16
Pension fund	-	6
Payroll control account	57	-
	336	10 007

19. Net cash flow generated by operating activities

	2002/03 R'000	2001/02 R'000
Net surplus/(deficit) as per income statement	(20 689)	15 673
Adjusted for items separately disclosed	-	-
Capital expenditure	19 038	70 674
Decrease/(Increase) in revenue collected	(1 287)	(538)
Decrease/(Increase) in contract work and foreign aid assistance	22 970	(15 135)
Net cash flow generated by operating activities	20 032	70 674

20. Cash generated (utilised) to increase/(decrease) working capital

	2002/03 R'000	2001/02 R'000
Increase/(Decrease) in receivables – current	49 780	(53 483)
Increase/(Decrease) in unauthorised and fruitless and wasteful expenditure	(31)	(121 937)
Increase/(Decrease) in revenue to be requested	(76)	-
Decrease in other current assets	-	2 530
Increase/(Decrease) in revenue funds to be surrendered	(85)	-
Increase in other current liabilities	994	50
Increase/(Decrease) in payables	(9 671)	7 744
	40 911	(165 096)

21. Voted funds and revenue funds surrendered

	2002/03 R'000	2001/02 R'000
Voted funds surrendered	994	-

Disclosure notes to the annual financial statements

for the year ended 31 March 2003

These amounts are not recognised in the financial statements, and are 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act, and the Division of Revenue Act, Act 5 of 2002.

22. Contingent liabilities

Liable to	Nature	Note	2002/03 R'000	2001/02 R'000
Motor vehicle guarantees	Employees	Annexure 1	197	-
Housing loan guarantees	Employees	Annexure 1	2 158	1 969
EAX Consortium	Services	22.1	22 794	22 794
			25 149	24 763

22.1 EAX Consortium

The EAX Consortium has instituted legal action against the Department for payments that are being disputed by the Department. The Department is defending the legal action.

23. Commitments

	2002/03 R'000	2001/02 R'000
Current expenditure		
Approved and contracted/ordered	11 287	49 155
Capital expenditure		
Approved and contracted/ordered	46	5 502
Total commitments	11 333	54 657

24. Employee benefits

	2002/03 R'000	2001/02 R'000
Leave entitlement	7 784	14 246
Thirteenth cheque	5 167	2 368
Performance bonus	3 241	1 075
	16 192	17 689

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	2002/03 R'000	2001/02 R'000
Irregular expenditure current year		-	-
Expenditure not condoned		-	-
Expenditure awaiting condonement	25.2	38 467	10 715
		38 467	10 715

25.2 Details of incidents

	2002/03 R'000	2001/02 R'000
Allowances to ex-supernumerary staff	-	259
Appointment of consultant	-	363
Tender amount exceeded	33 704	10 093
Personnel expenditure	4 763	-
	38 467	10 715

Annexures to the annual financial statements

for the year ended 31 March 2003

Annexure 1

Statement of financial guarantees issued as at 31 March 2003

Domestic/ foreign

Guaranteed institution	Guarantee in respect of	Original guaranteed capital amount (R'000)	Opening balance 01/04/2002 (R'000)	Guarantees issued during the year (R'000)	Guarantees paid during the year (R'000)	Closing balance 31/03/2003 (R'000)	Realised losses i.r.o. claims paid out (R'000)
ABSA Bank	Housing	827	643	78	25	696	
Standard Bank	Housing	384	333	39	-	372	
First National	Housing	185	76	48	11	113	
Saambou	Housing	250	220	-	13	207	
FBS Fidelity	Housing	175	94	-	35	59	
Perm Bank	Housing	43	47	-	-	47	
NBS	Housing	57	69	-	34	35	
Old Mutual	Housing	101	60	24	-	84	
Nedcor	Housing	621	309	164	30	443	
Cash Bank	Housing	23	16	-	-	16	
Future Bank	Housing	70	62	-	17	45	
Bop Building	Housing	40	40	-	-	40	
Stannic	Motor vehicles	204	-	204	7	197	
Total		2 980	1 969	557	172	2 354	

Annexure 2

Physical asset movement schedule (not including inventories)

Physical assets acquired during financial year 2002/03	Opening balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Machinery and equipment	63 643	18 864	209	-	1	82 297
Computer equipment	46 447	-	-	-	-	61 852
Furniture and office equipment	6 433	1 322	209	-	1	7 545
Other machinery and equipment	33	67	-	-	-	100
Computer software	10 730	-	-	-	-	12 800
Transport assets	-	-	-	-	-	-
	63 643	18 864	209	-	1	82 297

Financial Statements of the Dissemination and Marketing Trading Account

Management Report

for the year ended 31 March 2003

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

General review of the state of financial affairs

The Trading Account was implemented in April 2000, and kept on an accrual basis. Its main purpose is to market and sell the publications of the Department, generating sufficient funds to cover the costs of this exercise.

The Trading Account reflected a surplus of R0,021 million at the end of the 2002/03 financial year. Sales during the financial year totalled R0,506 million. The cost of material during the financial year equalled R0,093 million. Operating expenditure was R0,400 million. Interest of R7 508 was earned on the banking account.

Sales consisted of departmental publications and electronic tables.

Tariff policy

The tariffs were approved by the National Treasury and the prices fixed at market-related rates. This policy has, however, been amended as from the 2003/04 financial year; tariffs are no longer based on market-related rates because official statistics have been recognised as a public good that should be more freely available to users.

Accounting policy

A new accounting policy was adopted in accounting for consumables and printed publications. These are now reflected as inventory. This has resulted in retained income being increased by R969 000 in the current year and a restatement of the comparative figure of stock for 2001/02.

Corporate governance arrangements

Although this account is a separate accounting entity, the accounting officer remains directly accountable and the activities of the Trading Account are subject to all the policies of the Department.

New/proposed activities

The new tariff policy has resulted in the Trading Account becoming obsolete. In future, the costs of marketing and publications will be financed from appropriated funds.

Consumables

Consumables are written off when used.

Approval

The annual financial statements set out on pages 119 to 127 have been approved by the accounting officer.



PJ Lehohla
Statistician-General (Accounting Officer)

31 May 2003



Report of the Auditor-General

to Parliament on the Financial Statements of the Dissemination and Marketing Trading Entity for the year ended 31 March 2003

1. Audit assignment

The financial statements as set out on pages 119 to 127, for the year ended 31 March 2003, 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, based on the audit.

2. Nature and scope

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit 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.

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.

3. Qualification

3.1. Stock count sheets not available

Although the entity indicated that it had performed a stock count, stock sheets or any other documentation to support this count could not be submitted to audit. Alternative audit procedures to satisfy myself as to the existence of stock could not be performed. Therefore, inventory to the value of R994 000 recorded in the balance sheet could not be verified.

3.2. Overstatement of debtors

Although debtors to the amount of approximately R96 000 were outstanding for longer than 120 days, doubtful debts were not provided for.

3.3 Excessive unallocated receipts

Unallocated receipts to the value of R458 000 included in note 5 to the financial statements were not allocated to either revenue or accounts receivable.

3.4 Assets could not be verified

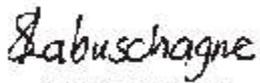
As the asset register did not indicate where assets were located, the existence and completeness of tangible assets to the value of R82 000 could not be verified.

4. Qualified audit opinion

In my opinion, except for the effect on the financial statements of the matters referred to in paragraph 3, the financial statements fairly present, in all material respects, the financial position of the Dissemination and Marketing Trading Entity at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with generally accepted accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

5. Appreciation

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



S Labuschagne
for Auditor-General
Pretoria
31/07/2003

Balance sheet

at 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
Assets			
Non-current assets			
Property, plant & equipment	2	82	123
Current assets			
Inventories	3	994	969
Accounts receivable	4	357	403
Cash resources	9	1 354	907
Total assets		2 787	2 402
Equity and liabilities			
Capital and reserves			
Accumulated profit		1 795	1 774
Current liabilities			
Bank overdraft		-	-
Accounts payable	5	992	628
Total capital and liabilities		2 787	2 402

Income statement

for the year ended 31 March 2003

	Note	2002/03 R'000	2001/02 R'000
Revenue	6	506	1 027
Cost of consumables used	12	(93)	(42)
Gross profit		<u>413</u>	<u>985</u>
Other income		8	7
Total income		<u>421</u>	<u>992</u>
Operating expenses		(400)	(960)
Profit from operations		21	32
Interest & finance costs		-	-
Operating profit before taxation		21	32
Taxation		-	-
Net profit for the year		<u><u>21</u></u>	<u><u>32</u></u>

Statement of changes in equity

for the year ended 31 March 2003

	Accumulated Profit R'000	Total R'000
Balance at 1 April 2001	782	782
Adjustment	(9)	(9)
Adoption of new accounting policy	969	969
Net profit for the year	32	32
Balance at 31 March 2002	1 774	1 774
Net profit for the year	21	21
Balance at 31 March 2003	1 795	1 795

Cash flow statement

for the year ended 31 March 2003

	Notes	2002/03 R'000	2001/02 R'000
Cash flow from operating activities			
Net cash flow generated by operating activities	7	83	76
Cash generated/(utilised) to increase/(decrease) working capital	8	385	901
Cash utilised in operations		468	977
Interest received			
Net cash utilised in operating activities		468	977
Cash flows from investing activities			
Property, plant and equipment acquired		(21)	(70)
Cash flows from financing activities			
Increase in long-term borrowings		-	-
Net cash increase in cash and cash equivalents		447	907
Cash and cash equivalents at beginning of year		907	-
Cash and cash equivalents at end of year		1 354	907

Notes to the annual financial statements

for the year ended 31 March 2003

1. Accounting basis

The financial statements have been prepared on the historical cost basis and incorporate the following principal accounting policy which is consistent with that of the previous year.

1.1 Property, plant and equipment

Property and plant are not depreciated. Computer and office equipment as well as furniture and fittings are depreciated on the straight-line basis at rates considered appropriate to reduce book values to estimated residual values over the useful lives of the assets. The following annual rates have been used:

Computer and office equipment	33,3% p.a.
Furniture and fittings	20% p.a

1.2 Revenue

Revenue comprises proceeds from the sale of statistical data in printed publications and electronic tables. Revenue collected by the Trading Account has been retained in the account unless required to be surrendered to the National Revenue Fund.

1.3 Inventory

Inventory is valued at cost or net realisable value, whichever is lower. Cost is determined using the first-in, first-out method.

2. Property, plant and equipment

	Computer equipment R'000	Furniture & fittings R'000	Office equipment R'000	Total R'000
Owned assets				
Opening balance at 1 April 2002	108	61	7	176
Additions 2002/03	-	-	21	21
31 March 2003	108	61	28	197
Accumulated depreciation				
Opening balance at 1 April 2002	38	12	3	53
Current depreciation	36	12	14	62
Closing balance at 31 March 2003	74	24	17	115
Net book value at 31 March 2003	34	37	11	82

3. Inventory

	2002/03 R'000	2001/02 R'000
Finished goods: publications	994	969
Consumables	-	-
	994	969

4. Receivables

	2002/03 R'000	2001/02 R'000
Customer control account	104	129
Cash advances to provinces	26	101
Stats SA debtors	169	100
Recoverable expenses claimed (CensusAtSchool)	58	73
	357	403

5. Accounts payable

	2002/03 R'000	2001/02 R'000
Stats SA creditors	356	345
Unallocated received	458	183
Stats SA creditors	118	-
Provision auditors' fees	60	100
	992	628

6. Revenue

	2002/03 R'000	2001/02 R'000
National Community Profiles Supercross	-	80
National Community Profiles Ascii	-	232
Provincial Community Profiles Supercross	8	32
Provincial Community Profiles Ascii	-	24
National 10% Sample	-	10
Customise special request	1	63
Special request	108	158
Census reports	5	12
SuperCross Licence	5	35
Census royalty	-	43
Non-census reports	340	255
October Household Survey Ascii	19	73
October Household Survey SuperCross	12	9
PC Axis	8	-
October Household Survey hard copy	-	1
	506	1 027

7. Net cash flow generated by operating activities

	2002/03 R'000	2001/02 R'000
Net profit before taxation	21	32
Adjustment for depreciation	62	44
	<u>83</u>	<u>76</u>

8. Movements in working capital

	2002/03 R'000	2001/02 R'000
Decrease in accounts receivable	46	2 210
Increase/(decrease) in accounts payable	364	(1 309)
Increase in inventory	(25)	-
	<u>385</u>	<u>901</u>

9. Cash and cash equivalents

	2002/03 R'000	2001/02 R'000
Cash resources	1 354	907
Bank overdraft	-	-
	<u>1 354</u>	<u>907</u>

10. Employee benefits

The employees render services for the Trading Account and Statistics South Africa. Provision for employee benefits are made by Statistics South Africa and are included in their account.

11. Related party transactions

The Trading Entity operates within Statistics South Africa. The transactions between the two parties are on a recoverable basis.

12. Cost of revenue

	2002/03 R'000	2001/02 R'000
Consumables purchased	118	42
Changes to inventories of finished goods	(25)	-
	<u>93</u>	<u>42</u>

13. Comparative figures

These have been restated to account for the adoption of a new accounting policy with respect to inventories.

14. Accounting policy

During the year, a new accounting policy was adopted in respect of consumables and printed publications. These are now reflected as inventory. This has resulted in retained income being increased by R969 000,00 in the current year. There are no income tax obligations due to the adoption of the new policy.

15. Age analysis of debtors

Age analysis of debtors	Total R	Current R	30 days R	60 days R	90 days R	120 days + R
Customer control account	103 623	6 635	177	-	-	96 811
Receivables (advances for CensusAtSchools)	26 181	-	-	-	-	26 181
Stats SA debtors	169 493	-	-	-	70 023	99 470
Recoverable expenses claimed	57 747	-	-	-	-	57 747
	357 043	6 635	177	-	70 023	280 209

Detailed income statement

for the year ended 31 March 2003

	Notes	2002/03 R'000	2001/02 R'000
Revenue	6	506	1 027
Cost of revenue	12	<u>(93)</u>	<u>(42)</u>
Gross profit		413	985
Interest income		8	7
Total income		<u>421</u>	<u>992</u>
Expenditure		(400)	(960)
Net profit before tax		<u><u>21</u></u>	<u><u>32</u></u>

Schedule of expenditure

for the year ended 31 March 2003

	2002/03 R'000	2001/02 R'000
Bad debts	-	1
Bank charges	8	6
Membership subscription	-	7
Computer expenses	-	-
Postal	1	-
Auditors' fees		100
Current year	60	100
Prior year overprovision	(44)	-
Professional services and repairs	-	5
Courier services	5	6
Depreciation	62	44
Consultancy fees	-	3
Food and catering	-	2
Accessories	-	2
S&T local	-	4
S&T foreign	-	13
Motor vehicle expenses	15	4
Printing and stationery	5	-
Conference facilities	-	4
Personnel expenses		
Current year	278	-
Adjustment	(2)	696
Training of local staff	-	2
Printing	-	15
Telephone services	4	12
Travelling and accommodation	-	34
Cell phones	8	-
	400	960