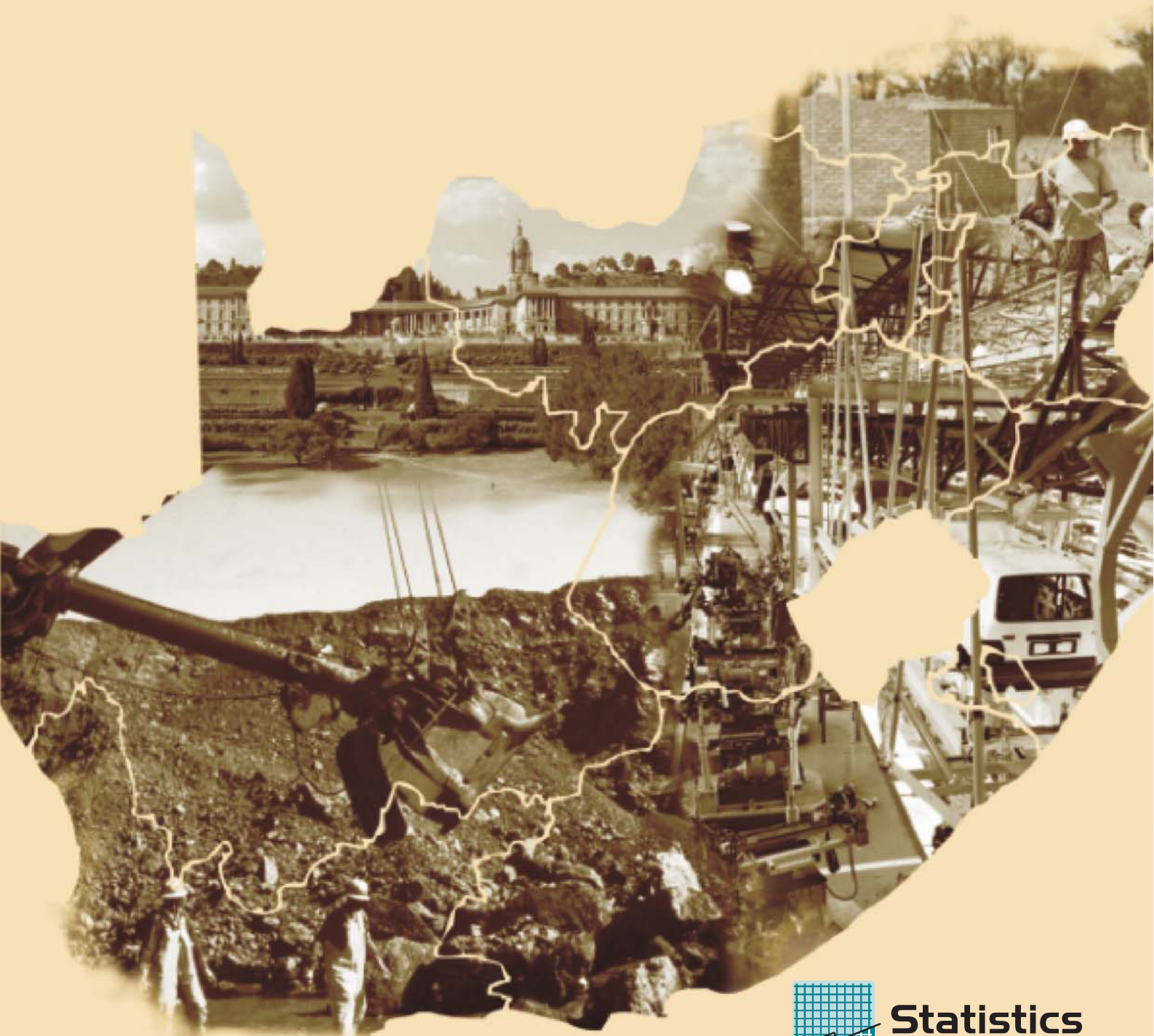




Statistics South Africa
Annual report 2003/04

ten years of statistics



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Statistics South Africa
Annual report 2003/04

ten years of statistics

Statistics South Africa
2004

Pali Lehohla
Statistician-General

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Part 1

Overview

General information

Submission of the annual report to the executive authority



Mr T Manuel
Minister of Finance

Mr T Manuel
Minister of Finance

I have the honour to submit the annual report of Statistics South Africa for the period
1 April 2003 to 31 March 2004.

A handwritten signature in dark ink, appearing to read 'PJ Lehohla'.

PJ Lehohla
Statistician-General

Authorised date of publication: September 2004



Mr Pali Lehohla
Statistician-General

Foreword by the Statistician-General

“The second decade of democracy will highlight the importance of monitoring and evaluation and the central role of statistics as a tool in the developmental state”, President Thabo Mbeki.

These words of President Mbeki capture the challenge facing Stats SA as we enter the third term of a democratically elected government. The last year epitomised both the wealth of possibilities that statistical information provides, as well as many of the challenges confronting us in getting there. Amongst these challenges is the measurement of not only the first economy but, the second economy in which the majority of the population are active.

The highlight of the year was the release of the results of Census 2001 in July 2003. The richness of the census data has been demonstrated in its wide use in a range of publications marking a decade of democracy and reflecting on achievements as well as challenges that lie ahead. User-friendly databases have been installed in about 150 government departments and institutions and are being extensively utilised, whilst at least 100 000 copies of the pocket size *Census in Brief* have been distributed.

In 2001 we conducted a review on the quality of economic statistics and found them to be extremely wanting. By 2003, with Census 2001 behind us, we intensified our efforts to address these deficiencies. Through continuous improvements on the business register, we have presented the first fruits of this programme when we

released manufacturing statistics in May 2004. In November 2004, we will benefit yet again from these fundamental improvements as we release the revised Gross Domestic Product (GDP) figures.

In the last three years we have trained 31 staff members in official statistics at institutions outside South Africa, namely at EASTC in Tanzania and ISAE in Uganda. The qualifications they obtained range from diplomas to masters degrees and the staff have assumed positions of responsibility in the organisation.

Substantial efforts have gone into improving the administrative and governance processes in Stats SA over the year. The introduction of a programme and projects office as well as the development of a Management Information System has enabled the organisation to manage itself more tightly. Substantive improvements have been made in our financial and human resource management areas, however a lot still has to be done in compliance and efficiency.

We introduced the Balanced Scorecard in 2003 as an approach to measuring our performance and for the last three years we have conducted staff opinion surveys and these have pointed us to important areas that require attention. In 2002 we ran a user satisfaction survey which was repeated on a smaller scale in 2004.

More importantly, we have appointed two Deputy Directors-General in the areas that have not had one for the last four years, needless to mention that the absence of these key resources in those areas has yielded unsatisfactory results, particularly in corporate governance. Another area that still requires leadership at the DDG level is economic statistics. We have in the interim assembled top class consultants to assist us in constructing our economic statistics and in this effort they are supporting the quality and methodology group that holds promise for the organisation. The ride for at least the next 18 months in economic statistics is going to be rough as we confront change.

Our regional and international obligations in statistical development continue to make an incredible impact in the community of official statistics, and as an attestation to this, South Africa won the bid to host the International Statistics Institute (ISI) conference in 2009. It was hosted in Germany in 2003 and it will be hosted in Australia and Portugal in 2005 and 2007 respectively. Elected at the ISI in Berlin in 2003, the Statistician-General serves as the vice president to the International Association of Official Statistics (IAOS). South Africa chairs Partnerships in Statistics for Development in the 21st century (PARIS21) and the Advisory Board for Statistics in Africa (ABSA).

On the downside, in May 2003, Stats SA was forced to revise the Consumer Price Index because outdated information regarding rental of housing was being used. The revision has led to a thorough review of the CPI and the adoption of a totally new methodology.

Secondly some members of staff made corruption allegations against the Statistician-General. At the request of the Statistician-General, the Public Service Commission is investigating these allegations.

Looking ahead to the next five years, we are guided by the priorities of government as identified in the ten-year review report. Amongst the range of priority areas identified, Stats SA sees its contribution as that of providing information that will create possibilities for growing the economy and eliminating poverty. However, the statistics system still remains fragmented, partly because of the stubbornness of the apartheid legacy and in part because of lack of skills. This notwithstanding, we have seen the power of the information era and democracy that point to the need for collaboration and co-operation in the interrogation of the information base.

In this regard, the *Towards a ten year review* report identifies indicators that will track the performance of the country in line with the key programmes of government. It is therefore clear that statistics are to play a more and more critical role in the developmental state that South Africa is.

Stats SA plans to focus on the following priority areas in the next five years:

- Improving the management and storage of data;
- Expanding methodological capacity;
- Creating a competency-based recruitment and career development programme;
- Improving responsiveness, efficiency and compliance from administrative areas through rigorous implementation of the Statistics Act;
- Creating a programme to enhance public trust in statistics and thereby improving the image of Stats SA; and
- Improving the management of electronic records and organisational knowledge.

More specifically we will focus on ensuring the quality of economic statistics, namely the GDP and CPI. In this regard by August 2004 we will run a pilot for a direct collection approach of CPI (which is in line with international best practice) and full implementation of the results emanating from the new method will come on line in 2006.

This report takes a ten-year perspective and reflects on the decade of democracy and projects what the priorities will be for the next five years.

On behalf of the staff of Stats SA, I would like to thank the Minister, the Deputy Minister and the Statistics Council for continuously bringing home the message that statistics is not about numbers but about people.



Pali Lehohla
Statistician-General

Making it happen

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 official and other statistical data and information, and coordinate the National Statistics System in support of economic growth, socio-economic development, democracy and good governance.

Legal mandate

In the Statistics Act (6 of 1999), the role of Statistics South Africa 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: R293 884 000

Responsible Minister: Minister of Finance

Accounting Officer: Statistician-General

Aim of the Vote:

The aim of Statistics South Africa is to collect, process, analyse, and disseminate high quality official and other statistical data and information, and coordinate the national statistics system, in support of economic growth, socio-economic development, democracy and good governance.

Ensuring that it happens



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 a representative from each province. One of the Council's main purposes is to ensure that Stats SA fulfils its mandate to the public at large.

As at the end of November 2003, the Council was comprised of the following members:

Dr H A Southall (Chair) * **
 Prof TZ Mthembu (Deputy Chair)
 Prof R Dorrington *
 Mr L Fouche *
 Prof JS Galpin (Chair of the Census Sub-committee) * **
 Mr MJ Jack
 Dr MA Lesaoana *
 Dr CW Loewald **
 Prof JD May * **
 Mr M McDonald
 Dr CE Meth (Chair of the Economics and Labour Sub-committee) **
 Mr N Mokhesi
 Mr CM Morolo
 Mr R Naidoo
 Mr FY Patel
 Prof TB Pretorius

Mr JW Prinsloo **
 Prof CE Simkins * **
 Mr GE Tabane

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

There were then two (of 16) ordinary member vacancies and four provinces were not represented.

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

Since November 2003 when the term of the previous Council expired, the Council has been in limbo. Although the Minister has approved the reappointment of some of the members of the previous Council, these members have yet – even at the time of writing this report in August 2004 – to be informed. In addition the provinces have yet to nominate their representatives to the new Council and there are vacancies for ordinary members of the Council which have to be advertised. The Council sub-committees, and to a lesser extent the Council itself, have continued to function on the assurance from the Statistician-General that this was expected of Council until members were either reappointed or replaced. Needless to say, this is not a satisfactory state of affairs.

The year 2003/2004 saw the completion of the evaluation and release of Census 2001 results. Members of the Census Sub-committee worked alongside Stats SA over a period of months, and hence were able to make suggestions and to interact with Stats SA throughout the process. This involved thousands of hours of analysis and meeting time by the Sub-committee members.

The Council was able to confirm that the final census population estimate for South Africa was probably quite close to the true population; it was possibly a little on the low side. However, it was the view of Council that the overall estimate hid some mutually compensating distortions in the composition of the population by sex, age and population group. The same was true of the provincial estimates, although the division of the population in total between the provinces was considered to be reasonably accurate. Council expressed its anxiety about the substantial undercount identified and adjusted for by the post-enumeration survey, since at least one in six people were not enumerated in the census. We recognised the need for further improvements in planning and management, in the quality of enumerator and supervisor training, and in better supervision in the field. In the meantime, Council recommended that notes alerting users to the limitations in the results be added to all census products distributed by Statistics South Africa. The Council also recommended that the holding of Census 2006 be subject to a review to determine whether the anticipated benefits outweigh the cost. Following the release of the census results in Pretoria, the Chair of Council then accompanied the Statistician-General on a tour of all nine provinces to promote the findings of Census 2001.

Following a workshop on Census 2006 in October 2003, to which representatives from both the public and private sectors were invited, the Council unanimously recommended to the Minister that a census should not be undertaken in 2006. Council recommended that Stats SA needs a period in which to consolidate the rapid

changes and expansion the organisation has seen over the past few years, and to build capacity without the distraction of an imminent census which might swamp activities. This is not to mention also the desirability of having adequate time to plan and implement the next census in order to improve the results. Council suggested that the immediate emphasis at Stats SA should be on capacity building and training, and on the quality of economic, demographic, poverty and inequality, and other official statistics. Council also noted that management, financial and administrative control systems need to be strengthened. We recognised that there is little point in holding another census until Stats SA can be sure that it can address and rectify the problems encountered in both the 1996 and 2001 censuses, and recommended that a programme of research be initiated under the oversight of the Statistics Council to improve Stats SA's understanding of how to conduct a good census.

After the release of the census results in 2003, Council has also been concerned with the quality of both the Community Profiles as well as the ten per cent census sample, insisting that the latter not be released until certain discrepancies had been rectified. It is unfortunate that in some quarters the Council was blamed for delaying the release of these data. Council has also been concerned with the question of the level to which census data can be released, especially questioning the reliability of such data given the high undercount in the census. This debate remains unresolved.

In the last Annual Report I noted that Council was concerned at the quality of economic statistics produced by Stats SA. Since then three eminent consultants, previously from the Australian and Canadian statistical agencies, have been appointed to assist in the overhaul of these series. The consultants have our full support and are commended for the progress they are making and the practical nature of their advice. On the other hand, the Council remains concerned about other aspects of economic statistics. For example, despite the top priority accorded to the issue of poverty by the South African President, the Council's Economics Subcommittee has stated that it is not convinced that Stats SA is in any way prepared for the production of the statistics necessary to understand poverty.

The Statistics Council is an advisory body, and has given advice on a great many issues over the past year. Unfortunately there have been many incidences where it has appeared that this advice was either ignored or was simply not followed through. We would also like more opportunity for input into the identification of priorities for the organisation, a position we have taken for several years now. In practice Council's main contribution seems to be in the area of those technical skills which Stats SA lacks. However, the model that was adopted during the evaluation of the Census is simply not sustainable, and probably not desirable, although we would imagine that as Stats SA trains experts of its own, such a role would naturally fall away. It is impractical to expect a small group of professionals who have full-time jobs to be responsible for ensuring the quality of Stats SA output, especially given that Stats SA has its own full-time Quality and Methodology division, and given that the Council has no direct executive authority. This matter continues as a point of discussion.

Finally, in last year's report, I expressed Council's concern regarding the need for drastic increases in further training and capacity building to address the skills deficiencies at every level of the organisation. Stats SA is to be commended for its efforts in this direction, but Council remains concerned that these efforts to date have

been woefully inadequate. Unless radical policies are introduced as a matter of urgency, the current pattern of errors and discrepancies in Stats SA releases will continue. For instance, the three international consultants have recommended that what Stats SA needs more than anything is not only the help of a few experts, but rather organised, ongoing, steady support from a well respected statistical organisation. This is an idea which appears attractive and which is worthy of attention. In any case, we should recognise that the process of transforming an organisation so heavily dependent on quantitative skills will take time. The error in the CPIX figures recognised in 2003 was perhaps the most significant example in the past year, and Council continues to be concerned that while acknowledging that errors will always happen, systems to identify such errors before official release need to be introduced. One such system suggested by Council would be to allow public comment to Stats SA to receive more attention.

The Standing Committee on Public Accounts (Scopa) has correctly identified that the Council overspent by some small amount. We do not take responsibility for this overspend, since we have no sight of our budget and do not receive financial reports on our spending.

I welcome this opportunity to acknowledge the huge effort of some members of the Council over the past year. The Council itself met seven times, the economics sub-committee held six meetings, and the census sub-committee met between 10 and 20 times.

Finally, the Statistics Council sadly said goodbye to Mr Herman Riekert after 15 years of service as coordinator to the South African Statistics Council, in February 2004. He is sorely missed and we wish him well in his long deserved retirement.

Hilary Southall
August 2004

Ten-year review of statistics in South Africa: 1994–2004

The last ten years have seen rapid and fundamental changes in all aspects of South African society. The country's statistics office has mirrored the changes in the country and emerged as a strong agency, able to respond to the information needs of policy-makers, and respected by its peers around the world.

The changes experienced by Stats SA have fundamentally been about improving the quality and relevance of statistical information not only to inform policy debates, but also to comply with an evolving set of global standards. Changes in output and methodology, however, would not be sustainable without far-reaching change in the structure, organisation and composition of the agency. This overview of the past ten years tracks the development of key changes in both statistical information and the underlying organisational capabilities. These changes include two restructuring exercises, a new legal framework for statistics, the conducting of two comprehensive non-racial population censuses and introducing numerous new statistical products in line with international requirements.

Three broad periods divide the history of the last ten years in Stats SA. The first is the end of the apartheid era up to 1995. The second, marking the transformation of the organisation into a modern and representative agency, is from 1995 to 2000. The third is the period to the present which has focused on the enhancement of statistical quality through developing people and the conceptualisation of a system of national statistics.

1994–1995: The end of an era

In the run-up to South Africa's first inclusive elections of April 1994, the Central Statistical Service (CSS) was cut free of the apron strings of the Department of Home Affairs, of which it had been a part, and became a national department in its own right. In the new Government of National Unity, the CSS was institutionally located in the office of the Reconstruction and Development Programme (RDP) in the President's Office.

This move signalled government's intention of placing statistics at the heart of development planning and implementation, with a number of planning and information-gathering bodies, including the CSS, being restructured to serve new policy and planning imperatives.

During 1994, the CSS was headed by an acting deputy director-general, Dr APT du Toit and, during this time, planning for integration of the statistics offices of the 'independent states' (Transkei, Bophuthatswana, Venda and Ciskei) into the CSS, to construct a coherent system of national statistics, was viewed as a priority. As part of the effort to address the fragmentation of the apartheid era, the CSS was designated as the only government body with the task of gathering statistical information on a national basis and publishing them as official statistics.



Dr Andries Petrus Treurnicht du Toit
1985–1995

During 1994, the CSS was headed by an acting deputy director-general, Dr APT du Toit and, during this time, planning for integration of the statistics offices of the 'independent states' (Transkei, Bophuthatswana, Venda and Ciskei) into the CSS, to construct a coherent system of national statistics, was viewed as a priority.

1995–2000: Realignment and rationalisation

In July 1995, Dr FM Orkin was appointed as the new Head of the CSS, setting in motion a substantial transformation of the institution. As part of the programme, black and female senior managers were appointed for the first time.

Timeliness in the publication of statistics and rectifying the historical neglect of interests and groups viewed as marginal under apartheid, were early priorities during this period. Dr Orkin implanted a new mission for CSS, commonly known as the 4 Rs: *Relevant* to policy-making for growth and development; *Reliable* in producing timely and accurate statistics; *Representative* in staff and advisory committees; and *Responsive* to users' needs.



Dr Frederick Mark Orkin
1995–2000

In July 1995, Dr FM Orkin was appointed as the new Head of the CSS, setting in motion a substantial transformation of the institution. As part of the programme, black and female senior managers were appointed for the first time.

1995–1996: Laying the groundwork for change

The CSS faced daunting challenges as it underwent a comprehensive restructuring and rationalisation process. The previous structure had separated statistical and administrative work. Now statistical and administrative functions were combined, making teams responsible for the total statistical cycle. Introduction of new technology and the associated training was a key priority during this period, as was increasing the representivity of staff at all levels with regard to race, gender and disability.

A task team was established to review the Statistics Act, with a mandate to increase the statutory independence of the organisation and provide for provincial representation. A massive technical assistance programme involving Statistics Sweden and the Australian Bureau of Statistics was inaugurated, funded by their respective governments.

Linking statistical production with the RDP necessitated the urgent development of social and demographic statistics for purposes of measuring development needs, and monitoring progress and change. The October household survey was comprehensively redesigned to allow for measurement of key development issues at provincial level, including access to basic services such as clean water, electricity, housing and sanitation.

1996–1997: The first inclusive population census

The 1996 population census enumerated all South Africans as part of a single nation for the first time, under the slogan 'Count us in'. The census had initially been planned for 1995, but was postponed for a year in order to allow for radical revisions to the questionnaire and methodology. Census enumerators covered every part of the country for the first time since 1970, and questionnaires were available in all eleven official languages.

At the same time, as part of wider civil service transformation, the department underwent a comprehensive restructuring and review of staff. This involved extensive re-staffing of the new structure; the introduction of changed work methods based on work teams; and hands-on management and regular reporting. This restructuring led to improvements in the timeliness of many statistics series. There were rapid advances in the representivity profile, and the new structure incorporated the TBVC statistical offices and their staff.

During 1996, a major focus was the rapid introduction of modern information systems. The CSS had become technologically out-of-date and rapid upgrading was an urgent priority. The agency moved away from mainframe technology to a PC-based digital environment.

1997–1998: Getting statistics right

By this time the CSS had undergone massive transformation of its products, structures, systems and staffing, with far-reaching implications. To be sustainable, these changes had to be consolidated and regulated. During 1997, the CSS started to address this.

A strategic review of economic statistics was initiated, focusing on methodologies and systems that would enable the CSS to meet national and international reporting requirements. This included re-engineering all economic, financial and labour collections; developing common standards for statistical software to improve data integration, quality and timeliness; and improving and rebasing national accounts in accordance with the United Nations 1993 System of National Accounts (SNA 1993).

Preliminary results of Census '96 were announced and the data were converted into digital format to form a database for the demarcation of electoral wards and voting districts.

A rural survey to establish the extent of subsistence and small-scale agricultural activity among households was conducted.

These changes drew on a new set of expertise within the agency. Following the comprehensive rationalisation of 1995 and 1996, some 400 new appointments were made. Through assertive representivity recruitment, the number of black staff had risen from 82 in 1995, to 133 in 1996 and 302 in 1997. The corresponding percentage of white employees decreased from 86% through 77% to 52% in 1997.

1998–1999: A new image

In 1998, the department adopted a new name, Statistics South Africa, a new logo and a new strategy, reflecting its renewed commitment to professionalism and service delivery. The change in name marked the end of the organisation-building phase of transformation, and signalled a significant growth in the work undertaken by the department.

The final results of Census '96 were released by the then President Nelson Mandela, with data being made available through cutting-edge computer software, including thematic mapping of information down to the smallest geographic levels.

After the strategic review of economic statistics undertaken during 1997, weaknesses along the whole chain of production were identified. Improvements in work processes and methodologies along the chain enabled Stats SA to achieve compliance, within the allocated two years, to the International Monetary Fund's Special Data Dissemination Standards (SDDS), which demanded improvements in the quality, timeliness and coverage of economic statistics.

Sampling frames were targeted as a key basis for continued improvements. The conceptual framework and technological support for a new business register was developed and a master sample for household surveys was developed based on Census '96 data.

New surveys introduced included an annual economy-wide economic activity survey used to compile estimates of GDP and its components; and a Victims of Crime Survey, commissioned by the Safety and Security Secretariat. A programme to improve collection of local government statistics was implemented with funding from the Swiss Development Co-operation Agency. Other developments included the upgrading of Stats SA's website; and the publication of narrative and analytical reports on topics such as gender and employment.

1999–2000: A new legal framework

In April 1999, the new Statistics Act was passed by Parliament. The Act provided a new and broader mandate for Stats SA, which was to lead the development of a national system of statistics. The Act established the position of a Statistician-General who has certain powers over all statistics produced by all organs of state.

At the same time the country's second democratic elections were held and newly elected President Thabo Mbeki set a challenge to all government departments to work in a more collaborative fashion. In response to this challenge, Stats SA enhanced its interactions and collaborative efforts with other government departments.

Alternative inflation measures (e.g. CPIX) were computed together with National Treasury and the Reserve Bank to inform the debate on inflation targeting. Government accounting was further strengthened through building local government capacity in financial reporting and the classification of government expenditure items in collaboration with National Treasury.

Substantial work in building a national spatial database was completed in collaboration with the Department of Land Affairs, the Independent Electoral Commission and the Municipal Demarcation Board. In groundbreaking work, Stats SA, in conjunction with the World Bank, used this data to produce poverty maps, and the Post Office used the spatial data to improve postal deliveries.

Through a joint effort with the Department of Environmental Affairs and Tourism, the Department of Home Affairs and the South African Tourism Authority, an integrated management information system on arrival statistics was developed to provide a better picture of the country's tourism and migration.

Other innovations during the year included the publication of South Africa's first supply and use tables, which serve as a coordinating framework for economic statistics, a time use gender study, focusing on the activities of rural women and funded by the Norwegian Development Agency, and a survey of activities of young people, commissioned by the Department of Labour. A labour force survey was introduced to improve the measurement of changes in the labour market and to measure improvements in living conditions. This replaced the October household survey.

Dr Orkin left Stats SA in August 2000 and Dr Ros Hirschowitz acted as head of the organisation for four months. During this time she initiated several transformation projects.

2000–2004: Strengthening statistical capacity

In November 2000, Mr Pali Lehohla was appointed to lead Stats SA as the country's first Statistician-General, in terms of the new Statistics Act. Significant gains were made in improving the quality of Stats SA's outputs, thus providing a firm foundation for the implementation of new strategic priorities, including the development of a National Statistics System (NSS) and enhancing the quality of statistics through the empowerment of people.



Mr Pali Jobo Lehohla
2000 to date

In November 2000, Mr Pali Lehohla was appointed to lead Stats SA as the country's first Statistician-General, in terms of the new Statistics Act.

The conception of the NSS was an organised response to the growing need for integrated information for planning, monitoring and evaluating the performance of government initiatives. The NSS aimed to create an integrated network of state institutions to focus on improving the quality of official statistics, enhancing the comparability of statistics and minimising unnecessary overlaps or duplication in the collection or publication of statistics.

Also during November 2000, the Minister of Finance appointed the first Statistics Council constituted under the Statistics Act. The Council, which is independent of Stats SA, advises the Minister, the Statistician-General and other organs of state on statistical matters.

2000–2001: Renewed focus on organisational development

The new mandate given to Stats SA with the passing of the Statistics Act and subsequent appointment of the Statistician-General necessitated a new look at the capacity of the organisation. A cross-functional task team was established to drive the process of organisational development. This team, in conjunction with the management team, developed an Agenda for Change for Stats SA, which focused on:

- people development;
- leadership and management development;
- systems and process development;
- environment and culture development; and
- restructuring the organisation.

While research and debate on the new look for Stats SA was taking place, improvements to the quality and relevance of statistical production continued.

Planning and preparation for Census 2001 dominated the department during this year, and a pilot census and accompanying post-enumeration survey (PES) were held in March 2001. The results informed a review and revision of the plans for the main event in October 2001.

2001–2002: Census 2001

South Africa's second 'democratic' census took place in October 2001. Census 2001 achieved several firsts in South Africa. Geographical information provided the basis for all aspects of the census, including planning, recruitment, monitoring of progress, and eventually dissemination of data. The field operations phase was successfully brought to a conclusion and the massive task of processing undertaken using state-of-the-art scanning technology.

Stats SA also conducted a Census@School in collaboration with the Department of Education, with its aims being to enhance statistical literacy in schools and to raise awareness of Census 2001. The Census Disability Partnership Project trained and employed 74 people with disabilities for the capturing of data from this and other projects.

An advance release of recorded deaths, 1997–2000 was published in December 2001, making use of data obtained from the population register. This report threw light on the impact of HIV/Aids as a cause of death in South Africa.

The main focus for improving economic statistics was the implementation of the new business sampling frame, based on information received from SARS on businesses registered for value added tax (VAT). The benefit of using this information is that it is constantly updated, facilitating more accurate samples and statistics.

In order to gauge the success of government's rural development strategy, 13 nodal areas targeted by the strategy were the subject of a baseline development indicators survey.

During 2001, the employment data collected from the labour force survey (LFS) became the official source of employment statistics in South Africa.

2002–2003: New strategy, new structure, new statistics

Stats SA developed its first comprehensive strategic plan, which plotted the direction of the agency for the next five years and gave shape to its vision and mission. Quality improvement was incorporated into the strategy and cascaded to operational level. The strategic plan identified six strategic themes to transform official statistics, namely:

- 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.

Following the comprehensive restructuring process, Stats SA adopted a new structure in May 2002. This made provision for a flatter structure, promoting staff development and professionalism through redesigning the organisational job categories into seven occupational categories. The new structure also made provision for components such as statistical capacity building, and quality and methodology.

Flowing from Stats SA's strategic philosophy of 'quality through people', the development of human capacity remained the key development area in the organisation, with 51 staff members benefiting from statistical training at institutions both in South Africa and in East Africa.

The detailed final results of Census 2001 were released on 8 July 2003, less than two years after the census was conducted. The main activity during 2002/03 was processing the census questionnaires, which were more detailed and complex than those from previous censuses. Leading-edge scanning technology was used, which brought its own set of problems. Some achievements in the processing of data included:

- a successful use of new technologies and processing system; 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.

In response to requests for provincial level economic statistics, Gross Domestic Product by Region figures were published for the first time. National Accounts were also bolstered by the publishing of the first discussion document on Natural Resource Accounts for water and minerals.

Marking an important stage in the development of the new business register, new samples were drawn for four key economic series. The new and old samples were run in parallel for some time.

A Census of Commercial Farming was conducted on behalf of the Department of Agriculture.

2003–2004: Consolidation and continuous improvement

In the year under review, the organisation focused on consolidating the efforts of the past nine years in building a sustainable organisation to support evidence-based planning and decision-making. This included activities and projects to improve the quality of statistical products, enhancing organisational governance, and building the National Statistics System.

A comprehensive economic statistics strategy was drawn up to improve the quality of key economic indicators with the assistance of three top-flight international consultants in economic statistics. The parallel samples based on the old business register were dropped during the past year and all efforts were directed towards collecting data based on the new sample.

An element of the economic statistics strategy is the development of a new survey methodology for the consumer price index. Direct price collections will replace the current postal survey method.

Other quality improvements included designing a new master sample that forms the sampling frame for all social surveys; revamping tourism and migration statistics; reviewing questionnaires, manuals and tabulation plans and reports of social statistics; purchasing software that will act as a central classification repository; compiling a manual on questionnaire development, evaluation and testing; and geo-coding of businesses to municipal level.

The results of the second non-racial population census were launched on 8 July 2003 by the President and subsequently in all nine provinces. Census products included a *Census in Brief* booklet, Community profiles, Digital Census Atlas, *My Constituency: Ward Profiles*, Geography Metadata, and *Census 2001: GIS Spatial Data*. On 31 March 2004, a Cabinet statement was released that a full population and housing census will now be carried out in a ten-yearly cycle. This means that the next census will be carried out in 2011.

Efforts to build the NSS through establishing partnerships and providing leadership in various fields of producing statistics were stepped up. Initiatives included piloting the first phase of the management system for statistical information, supporting the Ten-year review project with statistics from Stats SA, generating statistics for the indicators of the Millennium Development Goals, facilitating the identification of

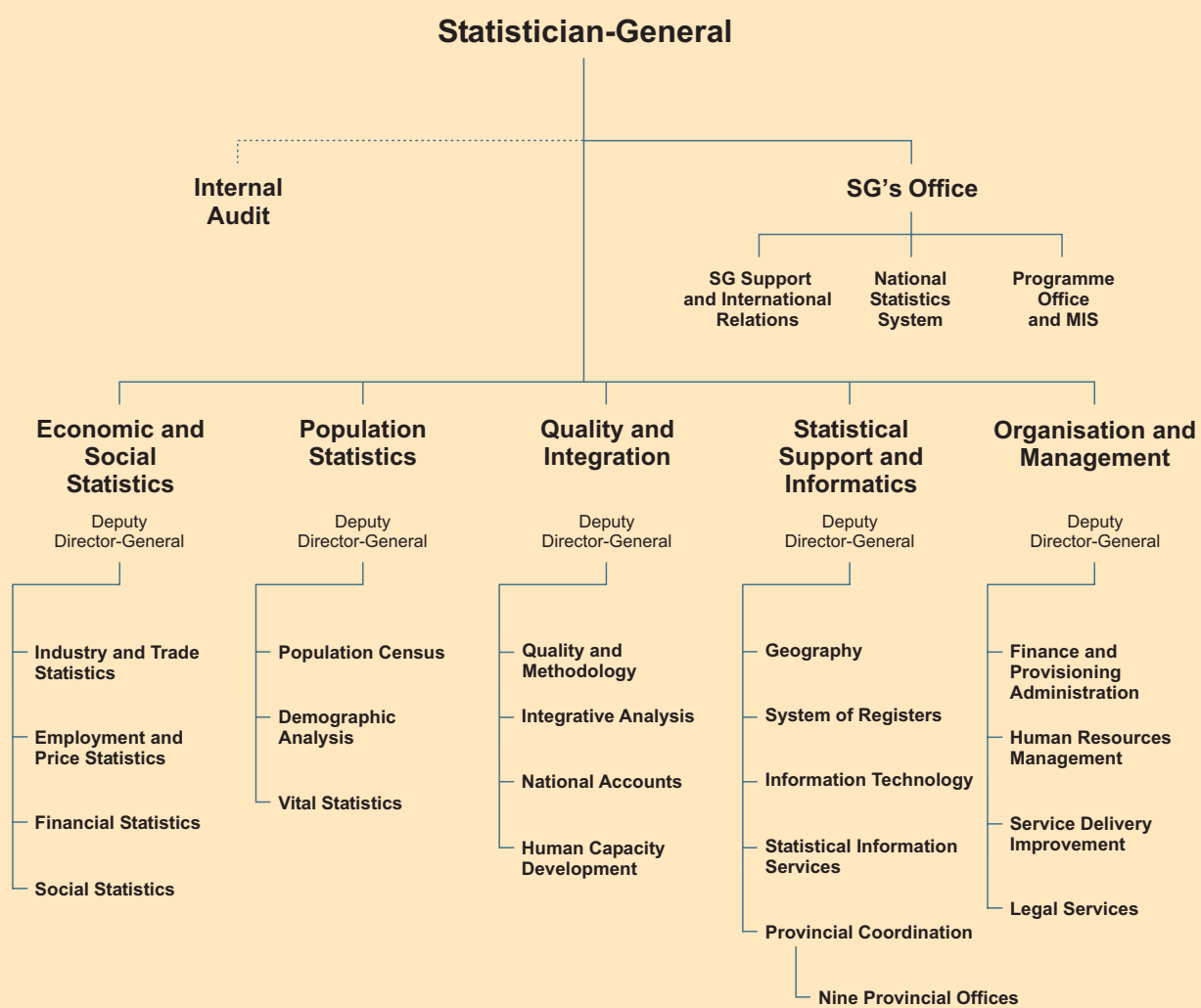


A range of publications were produced with the results of Census 2001

indicators for quantitative monitoring and evaluation, defining a framework for the assessment of statistical capacity in government, and providing technical support to various government departments in best practice methodology.

Following a qualification on the previous year's financial statements by the Auditor-General, substantial efforts were made to improve the governance elements of Stats SA. Planning was beefed up by the implementation of an integrative planning approach which included strategic, business and operational planning and budgeting. During 2003/04 all projects for the new financial year were captured on a newly developed management information system (MIS). An intensive risk management assessment was undertaken during the past year and management teams were identified to take the process forward. Important developments were made to improve the administrative processes such as finalisation of delegations, improving record keeping and controls and policy developments.

The organisational structure





Dr Ros Hirschowitz is the Deputy Director-General for Quality and Integration and is the acting Deputy Director-General for Economic and Social Statistics.



Dr Elizabeth Gavin is the Deputy Director-General for Statistical Support and Informatics and is the acting Deputy Director-General for Population Statistics. Dr Gavin joined Stats SA in January 2004.



Ms Phuti Matlala is the Deputy Director-General for Organisation and Management. Ms Matlala joined Stats SA in January 2004.

Part 2

The way we work

Programme performance

Programme 1: Administration

Purpose: To provide sound infrastructure and support that enables Stats SA to achieve its mandate.

Executive Management provides strategic leadership for the department, including the office of the National Statistics System (NSS). Corporate Services ensures effective administration and good governance in Stats SA.

The programme comprises seven divisions:

- **SG Support and International Relations** provides policy support to the Statistician-General and maintains Stats SA's relations with other national and international statistical agencies.
- **National Statistics System** engages with government departments and the government clusters to identify the indicators necessary to measure delivery on government priorities.
- **Programme Office and Management Information Systems** coordinates, monitors and supports all programmes, projects and operations across Stats SA through the development, implementation and management of quality programme and project plans.
- **Internal Audit** provides an independent professional internal audit service to Stats SA in order to ensure that all statutory requirements are complied with.
- **Finance and Provisioning** provides financial, procurement and logistical support services to the entire organisation.
- **Human Resources Management** provides a timely, comprehensive and cost-effective human resources management service to support the operations of Stats SA.
- **Service Delivery Improvement** ensures that Stats SA effectively plans and achieves its strategic goals.

SG Support and International Relations

Stats SA has prioritised the development of relationships with Southern African Development Community (SADC) and African Union (AU) member countries in its international relations programme. In support of this, Stats SA was represented at a meeting of the Committee on Development Information, the objective of which was to resuscitate the African regional statistics unit under the Economic Commission for Africa.

In November 2003, Stats SA, PARIS21 and UNFPA co-hosted an international conference on censuses. A video was made at this meeting which will be used for international statistical advocacy. South Africa's credibility in the international statistical arena was confirmed by Stats SA winning the right to host the conference of the International Statistical Institute in 2009. Stats SA will also be hosting the Conference of Commonwealth Statisticians in 2005.

In March 2004, Stats SA was host to statistics professionals from Botswana, Zambia and India. The purpose of their visits ranged from the International Comparison Programme for Africa (ICP-Africa), to censuses in SADC countries, the Business Register and surveys. Stats SA hosted the UNFPA/PARIS21 International Expert Group Seminar on Population Census Data Dissemination, Use and Advocacy on 10-12 November 2003.

Stats SA was also host to the 3rd planning meeting of the technical committee for the SADC Millennium Project titled 'The analysis and utilisation of census data'. The objective of the meeting was to build the capacity of policy-makers in utilising population statistics to achieve and build on the Nepad initiative and policy programmes such as the Poverty Reduction Strategy Papers (PRSPs), Millennium Development Goals and SADC, UN and World Bank frameworks.



Minister Trevor Manuel at the launch of
Census 2001 – 8 July 2003

A joint ministerial meeting was held with officials from the Democratic Republic of Congo to discuss technical cooperation and capacity-building in key areas such as planning for a population census.

Stats SA was visited by officials of the Chinese National Bureau of Statistics in October 2003. The objective was to explore possible areas of collaboration such as census, production and dissemination of statistics.

Technical assistance support was received from the Canadian International Development Agency (in the form of a study tour to Canada regarding human resources management and development); and the World Bank Fund for Statistical Capacity Development (audit of statistical capacity in government departments). The Swiss Development Cooperation provided funding for a non-financial census of local authorities.

The SG has consistently provided a monthly report to staff and this has now run for 37 months. Furthermore the SG's Thursday weekly column in the *Business Report* has provided an insight into the world of statistics since it was introduced towards the beginning of 2003.



Mr Risenga Maluleke (seated in the middle) and staff of the SG Support and International Relations division

National Statistics System



Prof Akiiki Kahimbaara (right) and senior members of the NSS division

The ultimate objective of the NSS is to provide official statistics to measure the performance of government and to inform its planning and decision-making processes. In so doing the NSS will provide the validation component of the national monitoring and evaluation system. Within Stats SA, the work on the National Statistics System is led by the NSS division.

During the last financial year the NSS division sought to start on this road by supporting the Ten-Year Review project with statistics from Stats SA. Provision of development indicators to support assessment of government performance is a key deliverable of the NSS. Indicators from Stats SA have been made available to the Social and Economic clusters of Fosad, the Office on the Status of Women (for their reporting requirements on international conventions), and the Programmes Office in the Presidency. The NSS is represented in all the Fosad clusters and in cross-cutting development initiatives in order to promote a culture of measurement.

The division has piloted the first phase of the management system for statistical information (MSSI), which is intended to provide a one-stop shop for official statistics for stakeholders. This consists of the Second Generation Live Database (SGLD), sponsored by the World Bank. In the near future stakeholders (including some SADC member states) should be able to draw outcome indicators produced by NSS partner departments from their databases in the SGLD.

Stats SA is the lead agency in the process of generating statistics for the indicators of the Millennium Development Goals (MDGs). The MDGs not only provide a framework within which countries are able to compare their developmental status, but also provide a basis for defining indicators tailored to national interests.

One of the objectives of the NSS is to produce enough statistics to meet the needs of government. Such coverage demands the participation of several departments in the production of official statistics. As a result, building statistical capacity is another key deliverable of the NSS division. The capacity-building initiative has taken two forms – the facilitation of quantitative monitoring and evaluation (M&E) in the planning programmes of certain departments that have requested this service; and a capacity assessment exercise supported by the World Bank's Trust Fund for Statistical Capacity Building (TFSCB). Provision of M&E support for departmental programmes has essentially involved participation in the indicator identification process for the programmes. On the other hand, assessment of statistical capacity has incorporated consultants supported by the World Bank. The first phase of this process – defining a framework for capacity assessment – has already been successfully completed. The second phase – the actual assessment of statistical capacity – has begun.



Mr Thami Mseleku is the DG of the National Department of Education and co-chair of the Fosad Social cluster. Stats SA assisted the Department of Education in surveying the skills and qualifications of educators around the country.



Mr Joel Netshitenzhe is the CEO of the Policy Co-ordination and Advisory Services (PCAS) in the Presidency, with which Stats SA works closely in monitoring and evaluating government performance.

Programme Office and Management Information Systems



Mrs Annette Myburgh (seated on the right) and members of the Programme Office

The use of project planning tools and the development of a Management Information System is a key priority for enhancing effective management in Stats SA.

Operational planning guidelines, a training manual, a template and an electronic system (the first component of the MIS) were developed for planning projects and services.

Stats SA has adopted an integrated planning approach. The integrative operational planning process is a tool aimed at improving the service of Stats SA to users, by promoting greater co-operation and coordination within Stats SA.

Following the integrative operational planning and budgeting process, the projects for 2004/2005 were captured on the MIS. Furthermore, the Programme Office and MIS division developed project progress and status reporting templates during 2003/2004. They guided the development of priority projects and the implementation of quality project management principles.

A relevant practical quality project management course was developed based on the needs of the department and international best practices. Twenty-two staff members from across Stats SA attended and successfully completed this course during 2003/2004.

Statistics South Africa is in the process of being registered as a training provider and ensuring that the project management course is aligned to the National Qualifications Framework (NQF) of the South African Qualifications Authority (SAQA) and is accredited.

In order to enhance governance further, a system was developed to monitor and evaluate the implementation of recommendations of audit reports. Monthly progress reports on the implementation of audit report recommendations were compiled and distributed.

Internal Audit

In terms of the Public Finance Management Act, 1999 (PFMA) and the Audit Policy of Stats SA as approved by the Audit Committee, the Internal Audit division concentrated mainly on determining whether Stats SA's network of risk management, internal control systems and governance processes is adequate and functioning in a manner that ensures risks are appropriately identified and managed, to avoid errors, fraud and other losses to Stats SA.



Mr Naas du Plessis and some members of the Internal Audit team

For the year under review, Internal Audit assisted management and fulfilled the main audit activities in terms of the internal audit plan approved by the Audit Committee. This was achieved by:

- driving and coordinating the initiation and implementation of a risk management system for Stats SA;
- auditing various control systems and submitting reports identifying weaknesses and recommending improvements at all levels of the organisation;
- carrying out in-depth audits on various aspects relating to internal controls and financial systems through the performance of audits on IT systems, provincial offices and human resources systems;
- doing a performance audit on the asset management systems to determine whether resources were managed effectively, efficiently and economically;
- advising management, where possible, on controls to be put in place, as well as on corporate governance issues; and
- maintaining a system of reporting fraud anonymously via a fraud hotline, the email system and the Intranet.

Internal Audit also fulfilled its responsibility to the Audit Committee by supplying technical support, reporting to management on identified weaknesses in internal controls and assessing management's implementation of corrective actions.

There are a large number of identified risks rated as high, with inadequate internal controls to manage these risks, and insufficient action taken to implement audit recommendations. As a result, the approved internal audit plan for 2004/2005 will focus on in-depth investigations including the undertaking of performance audits and, if necessary, forensic investigations, in an attempt to identify the underlying issues that affect the control environment within Stats SA.

Finance and Provisioning

The primary focus of this division is to provide quality financial and procurement services to the department in support of its goals. The division's vision is to ensure full compliance with the provisions of the Public Finance Management Act (PFMA), Treasury Regulations and related legislation so as to ensure an unqualified audit report. Most improvements required by the auditors in last year's audit statement have been attended to. In particular, the accounting officer's responsibilities emanating from the PFMA have been delegated to different levels of management.

Last year the Auditor-General gave only qualified approval to Stats SA's financial statements because accounting for payments to the approximately 100 000 census fieldworkers, as well as tax deductions in respect of these payments, could not be validated due to the unavailability of employee files. Attempts had been made to match the payment records with the production records before the finalisation of the audit for that year so as to show that payments were only made to persons who had completed their work. This task could not be completed before finalisation of the audit process, but was successfully completed during 2003/2004. The results were submitted during the Standing Committee on Public Accounts (Scopa) hearing in August 2003.



Mr Alfons Fanoe (seated on the left), the Chief Financial Officer, together with senior staff of the Finance and Provisioning division

The tasks related to accounting for and reconciling this type of expenditure were decentralised to the provincial offices during the financial year.

A cellular phone contract was concluded with a new service provider. The new contract allows for the determination and implementation of expenditure limits so that users cannot incur expenditure beyond a specific level, determined according to the functions that have to be carried out.

The new Logis-on-Line procurement system was implemented during 2003/2004. Implementation of the new chart of accounts as from 2004/2005 required the establishment of new linkages between the Persal, BAS and Logis systems. All outstanding commitments had to be recaptured.

The Department of Education requested Stats SA to assist in the distribution and collection of 200 000 questionnaires to 10 700 schools and 178 000 educators in all nine provinces. The project was successfully accomplished on time and within budget under the management of the division.

Senior managers undertook an intensive risk assessment process during the last quarter of the financial year. The risks facing the Department, as well as controls to manage these risks, have been identified. A continuation of the process during the first quarter of 2004/2005 will lead to a risk management strategy.

Human Resources Management

Over the last three years, administrative processes in HR Management have not been adequate, resulting in a number of audit queries. Substantial efforts were made during the year to improve systems and eliminate the risks. By the end of March 2004, out of a total of 187 audit queries, 144 had been successfully addressed.

A second key achievement was the development of delegations in terms of the Public Service Act and their signing-off by the Minister of Finance. These delegations represent a major step forward for effective HR management in the department.

Another focus area underpinning the improvement in Human Resource management has been the project to upgrade the HR registry. The aims of the project were to:

- improve the security of personnel information;
- be able to locate information more easily;
- ensure that record-keeping complies with legislation; and
- ensure that the electronic records (on PERSAL) and the manual records (personnel files) are consistent.

An employment equity audit was conducted in November 2003. The audit focussed on Stats SA's business plan, workplace profile, recruitment and selection processes, workplace accessibility and organisational structure. The audit led to the compilation of the employment equity plan which will be presented to senior management and staff. Provincial employment equity committees were established to ensure that equity issues are addressed in the provincial offices.



Mr Paseka Dhlamini (seated in the middle) and senior members of the Human Resources Management division



The management of staff files was improved by the revamping of the HR registry

Job grading in Stats SA follows a broad-banding approach. This facilitates flexibility in remuneration while still complying with the government remuneration framework. A substantial effort has been made to grade all positions in the department. This arose as a result of the restructuring process that started in 2001.

Pre-retirement planning was introduced for staff members in the 55–65 year age group. The aim is to empower staff members in planning for their retirement. About 80 staff members attended the workshops.

Counselling services were offered for staff members with problems ranging from absenteeism, alcohol abuse and financial problems, to loss, trauma and stress. A total of 53 staff members were seen, 30 of whom had been referred by their manager. Special efforts were made to ensure that all staff members are aware of the services offered by the employee assistance programme.

The appointment of the HIV/Aids coordinator, who is living openly with his HIV status, had a major impact on the department. A massive HIV/Aids awareness campaign was rolled out throughout the organisation. In February 2004, a training session was held for top managers to sensitise them on issues of managing HIV/Aids in the public service workplace. At the end of the workshop, an HIV/Aids committee consisting of 16 members was formed under the leadership of Dr Ros Hirschowitz, Deputy Director-General of Quality and Integration.

Service Delivery Improvement

Two primary innovations were introduced to improve service delivery in Stats SA during the year. At a strategic level, the balanced scorecard framework was developed to identify key areas throughout the organisation requiring improvement. The scorecard helps to focus the entire organisation on a common goal of providing quality statistics to our users, while at the same time allowing each section to understand its role in contributing to this goal. The work done during the year laid the basis for the identification of organisational performance indicators.

A small-scale customer satisfaction survey was conducted as part of the annual performance evaluation process. The survey provided an independent, external perspective on the extent to which users were satisfied with the quality of Stats SA products and services. Internal service sections were evaluated by their peers, enabling the core business areas to signal their satisfaction with the support they had received during the year. It is anticipated that next year a full-scale customer satisfaction survey will be conducted, which will then become an annual exercise. The Service Delivery Improvement division provides organisational development and management support services to a range of sections within Stats SA. These services focus on process mapping and strategic planning.



Mr Patrick Kelly (left) and the Service Delivery Improvement team

Measuring staff satisfaction in Stats SA

What can be measured can be managed, and key to the management of a large, dynamic organisation like Stats SA is information about the perceptions of staff of the quality of their work life. In view of this, Statistics South Africa has run Staff Opinion Surveys annually since 2001.

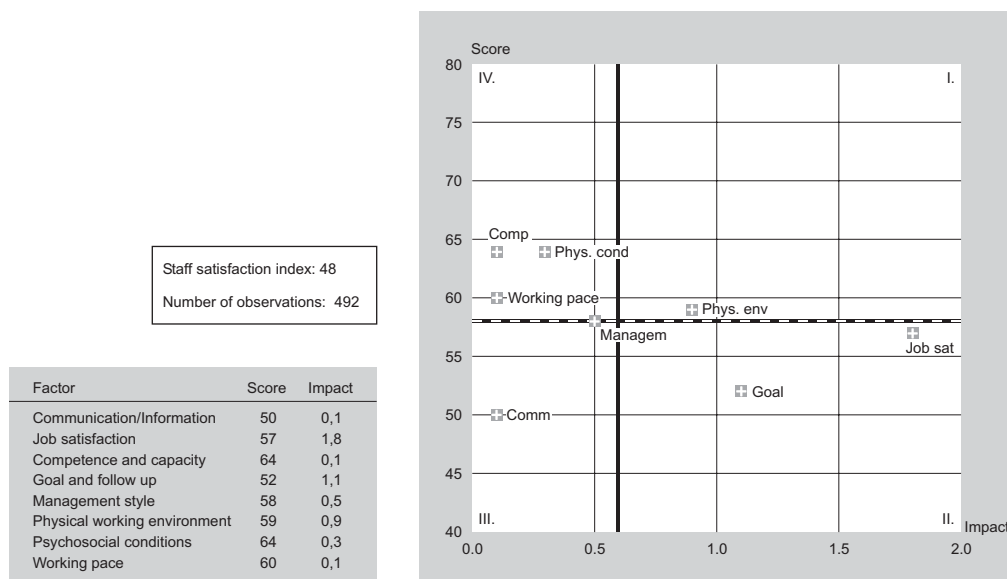
Various proposals for such a survey were made and the final go-ahead to run them was given by the strategic Lekgotla of November 2000.

The model used for the analysis of the results is the QSP (Quality Satisfaction Performance) model. This model is built around a mathematical model containing variables (quality factors) chosen by Stats SA. For each of the factors (see below) an index value is calculated. The method also calculates an impact measure for each question. With the aid of these impact measures, the quality factors are plotted into a priority matrix.

The quality factors chosen by Stats SA are:

1. Communication/Information
2. Job satisfaction
3. Competence and capacity
4. Goals and follow up
5. Management style
6. Physical working environment
7. Psychosocial conditions
8. Working pace

Stats SA Staff opinion survey 2003



The priority matrix gives management a picture of what areas should receive priority attention in the effort to improve the quality of work life for staff. Factors in quadrant two are those not requiring management intervention.

The surveys that have been run have indicated staff perceptions of low quality in the areas of:
 2001: Physical environment and job satisfaction
 2002: Communication and information
 2003: Job satisfaction and goals and follow-up.

Management has responded by various initiatives in each of these areas to bring about improvements.

Programme 2: Economic and Social Statistics

Purpose: To produce economic and social statistics to meet user requirements.

Measurable objectives: To provide statistical information, which is accurate, relevant and timely, in order to inform socio-economic decision-making.

The programme comprises four divisions as outlined below.

- **Industry and Trade Statistics** provides information on turnover and volumes in various sectors of the economy.
- **Employment and Price Statistics** provides information on employment in the formal non-agricultural sectors, and on price changes affecting consumers and producers.
- **Financial Statistics** tracks public sector spending and the financial performance of private sector organisations.
- **Social Statistics** conducts detailed investigations of the state of the labour market and the living conditions of the population.

Industry and Trade Statistics

The bulk of Stats SA's economic statistics are produced by the Industry and Trade Statistics division. Accordingly, this division was the primary focus of a strategic programme to improve the quality of economic statistics. Stats SA has been assisted in drawing up and implementing the strategy to improve economic statistics by a consortium of three top level international consultants on economic statistics, Jacob Ryten of Canada and Fred von Reibnitz and George Sarossy of Australia.

In 2002, fresh samples of businesses were drawn from the new business register. These samples were used in parallel with surveys based on the established sample of businesses drawn from the old business register.

At the end of 2003 the old samples were discontinued and all efforts were put into collecting data based on the new samples. However, it took a few months to get response rates on the new sample to an acceptable level. This resulted in Stats SA delaying the release of a set of monthly series until May 2004. The affected series included monthly production indices and sales for manufacturing, sales for the motor, wholesale and retail trade industries, and land freight transport statistics.

In addition to the improvements discussed above, 76 statistical releases containing information on mining production and sales, electricity generation and consumption, building plans passed and completed by selected private sector institutions, civil cases for debt, liquidations and insolvencies, utilisation of production capacity, and manufacturing products were published during the financial year.

The Census of Agriculture, conducted on behalf of the National Department of Agriculture, covered approximately 81 000 farming units. Information was collected regarding the farm operator, ownership, land area, gross income, products, farming expenditure, employment, assets and farming debt. By 31 March 2004, 76% of the original number of dispatched questionnaires had been completed and returned to Stats SA. A tabulation plan that includes the layout for dissemination of the results was finalised and approved. Preliminary results were forwarded on request to the National Accounts division for use in benchmarking the GDP estimates for November 2004. The report will be handed over to the Department of Agriculture by August 2004.



The physical volume of manufacturing production index increased by 1,1% between January to March 2003 and January to March 2004

Employment and Price Statistics



Dr Patrick Naidoo (seated on the right) with senior members of the Employment and Prices division

In June 2003, Stats SA made substantial revisions to the Consumer Price Index because outdated information for the rental component of the index had been used. This led to a decision to thoroughly overhaul the CPI methodology. Instead of continuing with the postal survey method of data collection for the CPI, Stats SA adopted the international standard of enumerator-based data collection.

In February 2004, a pilot for this method was carried out in Gauteng. Due primarily to methodological reasons a second pilot will be run in Mpumalanga with an adjusted methodology.

Once the Mpumalanga pilot is complete and analysed, a programme of direct collections will be rolled out to all provinces, with the programme being implemented in the last province in 2006. Data from the enumerator collection will be integrated into the CPI over the period of the project.

The United States Bureau of Labour Statistics and the Australian Bureau of Statistics have provided assistance with this development project.

Annual percentage change in the Consumer Price Index



The annual percentage change in the CPI, which is the Consumer Price Index excluding the interest rate on mortgage bonds, for the historical metropolitan and other urban areas was 4,4% at March 2004 (i.e. the CPIX at March 2004 compared with that at March 2003). This is 0,4 of a percentage point lower than the corresponding annual rate of 4,8% at February 2004. From February 2004 to March 2004 the CPIX for the historical metropolitan and other urban areas increased by 0,6% and the seasonally adjusted index increased by 0,7%.

Estimates of the number of employees and gross salaries in the formal non-agricultural sector were published for the first time as official statistics in the quarterly Survey of Employment and Earnings (SEE) during August 2003.

A larger sample for the SEE is envisaged, which should result in further improvements in the improved coverage for the SEE, and thus a more accurate measurement of formal non-agricultural sector employment.

Financial Statistics



Mr Des Booysen is the Executive Manager of the Financial Statistics and the Industry and Trade Statistics divisions

In the period under review, Financial Statistics has put emphasis on continuous improvements of its statistical outputs to meet user requirements.

The national and provincial government institutions component is responsible for the publication of statistical releases concerning general government expenditure, and for calculating general government consumption expenditure as a percentage of Gross Domestic Product (GDP). The information is used for national budget management and monetary and fiscal policy decision-making.

Nine releases were published during the 2003/2004 financial year, which means that the component is on schedule to realise its goal of producing the consolidated general government release of 2002/2003 by December 2004.

The local government component collected financial and non-financial information from all 284 municipalities and published eleven statistical releases during the 2002/2003 financial year. Results from the first non-financial census of local authorities conducted in 2003 were published as a discussion document in December 2003. This census, which aims to measure levels of service delivery in municipalities, was funded by the Swiss Development Cooperation.

The Economic Activity Survey (EAS) is now a cornerstone of the compilation of the annual estimates of gross product by industry for the annual GDP. Ratio information from the EAS of 2001 and 2002 was published as a discussion document in December 2003, covering a sample of non-agricultural enterprises in the formal business sector, excluding financial intermediation, insurance and government institutions with an annual turnover of R300 000 and more. The main role of the EAS is to provide reliable estimates of structure and performance at broad industry

level across the market economy (excluding agriculture), which in turn provide the context for the more detailed snapshots of structure and performance for individual industry sectors obtained in the periodic large sample surveys of industries.

Four statistical releases of the quarterly financial survey (QFS) of the non-agricultural formal businesses (excluding agriculture, financial intermediation, insurance and government institutions) were published. This survey provided, for the first time, actual financial data; previously only selected ratios were published.



Total mining production for the year 2003 increased by 5,8% compared to the year 2002

Social Statistics



Senior members of the Social Statistics team

The core business of Social Statistics is to conduct household-based surveys. The regular surveys are the bi-annual labour force survey, the annual general household survey, and the income and expenditure survey, which is conducted once every five years.

A close working relationship has been established between Social Statistics and the Quality and Methodology division, resulting in an improvement in the quality of our products. A document on Standard Operating Procedures has been developed and agreed upon by both components.

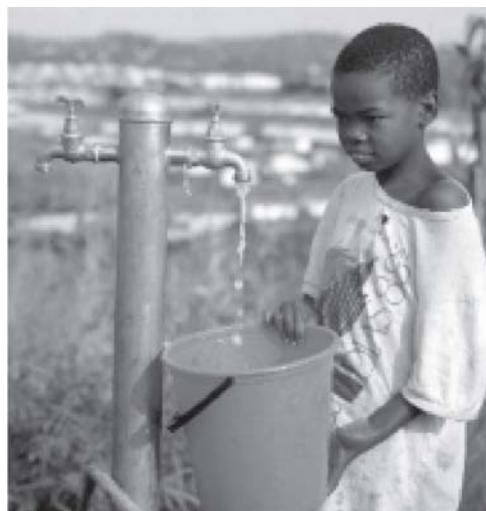
Social Statistics, in conjunction with other components in Stats SA, designed a new master sample for its surveys based on the Census 2001 enumeration areas. The new design has district council as the stratifying variable. The master sample forms the sampling frame for all household-based surveys conducted by Stats SA.

Statistical releases of the two labour force surveys that were conducted during the period, September 2003 and February 2004, were published six months after data collection. The aim of this survey is to provide information on employment and unemployment. It measures the extent of available and unused labour time and human resources for the purpose of macro-economic monitoring and human resource development planning. The labour force survey complies with the requirements of the International Labour Organisation (ILO).

The general household survey generates national social development indicators that measure the life circumstances of South African households and individuals. The aim



According to the September 2003 Labour force survey, about 10,0% of those working in the formal sector were employed in agriculture, making this industry the fifth biggest in terms of formal sector employment



According to Census 2001, seventy-two per cent of households in the country had access to piped water in the dwelling, on site, or within 200 metres. A further 12% had access to piped water further away

is to cover some topics that used to be covered by the now discontinued October household survey. The findings from the second round of the GHS were released during the period under review.

Social Statistics investigated various alternatives such as the use of a household diary for the collection of data for the five-yearly income and expenditure survey (IES), due to take place in 2005. The pilot for the diary method will be conducted in June and October 2004. This survey measures the income and expenditure patterns of households in South Africa. Data from the IES are used for rebasing for the Consumer Price Index.

The National Travel Survey was carried out in 2004 on commission from the National Department of Transport (NDOT). The main objective of this survey was to gain strategic insight into the transport problems and travel patterns of the people of South Africa. This information will provide NDOT with information to be used for future research, planning and policy formulation. The survey was conducted during May and June 2003, and the report was submitted to NDOT in March 2004.

Stats SA conducted a National Travel Survey on behalf of the National Department of Transport.
Ms W Stander, Director-General of Transport



Outputs and service delivery trends

Subprogramme	Output	Actual performance against target	
		Quantity	
		Target	Actual
Industry and Trade Statistics	Statistical information on industry-related activities in the primary, secondary, tertiary, services, and transport sectors of the economy	11 monthly series 1 quarterly series 1 annual series Large sample survey of various industries	Monthly statistics were produced for: Mining: production and sales Generation and consumption of electricity Selected building statistics of the private sector derived from data reported by local government institutions Manufacturing: production and sales Retail trade sales Wholesale trade sales Motor trade sales Land freight transport Hotels: trading statistics Liquidations and insolvencies Civil cases for debt Quarterly statistics were produced for: Manufacturing: utilisation of production capacity Annual statistics were produced for: Selected building statistics of the private sector derived from data reported by local government institutions, 2003
Employment and Price Statistics	Statistical information on the composition and characteristics of the workforce in the formal non-agricultural business sector	2 quarterly series	1 quarterly series (SEE with an expanded sample)
	Statistics on various goods and services to monitor price changes	3 monthly series (one will only commence publication in January 2004)	PPI, CPI-headline and CPI for rural areas and total country
Financial Statistics	Financial statistics on national, provincial, and local government and the private sector.	2 quarterly series 9 annual series	Quarterly statistics produced: Quarterly financial statistics of the private sector Quarterly levies of district and metropolitan municipalities The following annual statistics were produced: Consolidated General government expenditure National government expenditure Provincial government expenditure Extra-budgetary expenditure Universities & technikons expenditure Capital expenditure of the public sector Non-financial local govt census Financial local govt census EAS
Social Statistics	General Household Survey information on living conditions of South Africans	1 annual series	General household survey
	Statistics on labour market dynamics, which include employment and unemployment	1 six monthly series	Labour force survey

Programme 3: Population Census and Statistics

Purpose: To provide population statistics and conduct a population census.

Measurable objective: To provide information on the demographic characteristics of the country at all levels of government in order to inform policy and planning processes on the state of the population.

The programme comprises three divisions.

- **Population Census** directs the methodological and content aspects of the census and manages the enormous logistical, fieldwork and administrative operations.
- **Demographic Analysis** provides reports on a wide range of population and demographic themes, and estimates inter-censal population projections.
- **Health and Vital Statistics** publishes statistics on births, deaths, marriages, divorces, tourism and migration, based on administrative records.

Population Census



Seated: Dr John Kekovole (right) and Mr Calvin Molongoana (left) lead the Population Census team

The national launch of the Census 2001 results by President Thabo Mbeki on 8 July 2003 was a momentous occasion for the department. Subsequent launches were held in all provinces to promote the utilisation of the results in policy formulation. The processing work leading up to the release of the results was discussed in last year's annual report.

The results of Census 2001 were extensively quoted in the report *Towards a ten year review: A synthesis report on implementation of government programmes* published by the Presidency to commemorate ten years of democracy in South Africa.

About 100 000 copies of the easy-to-use *Census in Brief* booklet were printed and distributed. Electronic databases known as *Community Profiles* were launched in February 2004. These profiles provide vital information and are easy to manipulate to fit any specific user requirement. Almost 150 copies of the *Community Profiles* were installed in different institutions.



President Thabo Mbeki
launched the results of
Census 2001 on 8 July 2003

The Statistics Act requires that a census be held every five years, unless the Minister decides otherwise. On the advice of the Statistics Council, the Cabinet has decided that the next census will take place in 2011. This decision has paved the way for Stats SA to proceed with detailed planning of this census.

The Cabinet decision was only made at the end of March 2004. This meant that substantial planning for the 2006 Census had already taken place. This planning covered both strategic and operational dimensions, and agreement had been reached with National Treasury on a budget for Census 2006. This budget will now be applied to the large sample household survey to be held in 2006, and the development of a national address register.



According to the National Department of Education, enrolment figures at public schools in South Africa in 2002 numbered 7,4 million in Grades 1-7 and 4,1 million in Grades 8 to 12.

Demographic Analysis



Dr Heston Phillips (standing) and members of the Demographic Analysis team

The challenge for Demographic Analysis is to analyse statistical data in line with policy data needs and requirements. In an era of changing population dynamics, the need for policy-oriented data has resulted in a number of analysis activities in the year under review.

An evaluation of sex ratios in South African censuses was conducted and a journal article published. These results present a picture of how, in the different age groups, dependency is created, while also giving, for example, an indication of women's likelihood to penetrate the labour force and an indication of women's latent fertility.

Analysis was carried out on characteristics of education as highlighted in Census 2001. This study formed part of an assignment carried out for the Education Policy Unit of the University of the Witwatersrand. The study reveals progressive moves in enrolment in education by sex and population group. Findings of this nature are pertinent for the Department of Education in terms of education planning and policy.

Fertility analysis and fertility estimates were produced, which begin to indicate the impact of HIV. Generally a decline in fertility has been experienced and a depression in fertility due to HIV. This is made evident by a 10% decline seen in Census 2001 data. In addition, several specialised tables were produced on fertility and mortality at sub-provincial level as an indication of orphanhood. Indications of orphanhood are important for planning in the spheres of education, health and social welfare.

From a thematic perspective, Demographic Analysis has studied the impact of disability on life expectancy. This is a very understudied area, and there is a need to review the status and policy implications of disability. This study begins to show how disability influences how long people can be expected to live.

Mid-year population estimates according to SDDS requirements were produced for the year under review.

Health and Vital Statistics

Health and Vital Statistics is responsible for compiling and analysing the data from administrative records. These data are used throughout the country for programme planning and policy development and are the primary data sources used for measuring many South African benchmarks. Each year, the Health and Vital Statistics component publishes separate annual reports on births, deaths, marriages, divorces, tourism and migration. These reports provide an analytical look at the health and well-being of South Africans.

During the past year the component successfully published the annual reports on births, tourism and migration, twelve statistical releases combining tourism and migration statistics, and two separate annual reports on tourism and migration respectively. Revamping of the tourism and migration series is nearing completion. Definitions were reviewed so as to align them with those recommended by the World Tourism Organisation (WTO). A user needs assessment of tourism and migration statistics was conducted in May 2003. The quality of the tourism statistics has been seriously prejudiced by a decision of the Department of Home Affairs not to enforce the filling of departure forms at airports. These forms provide the data from which tourism and migration statistics are compiled.



According to the General household survey of July 2002, just under 50% of households were within half an hour's journey of a hospital (by their usual means of transport)

One of the priority areas of the South African government is to improve the health status of the population through effective preventive and curative programmes. The causes of death data are one of the main sources of data that can inform users how various diseases including HIV/Aids impact on South African society. However, Stats SA has a six-year backlog in capturing these data. Death notification forms (DNFs) from the Department of Home Affairs (DHA) are coded and verified manually according to the International Classification of Diseases (ICD 10). The information is then captured manually into a computer and processed to make it available for stakeholders. The plan now is to process the DNFs available from the Department of Home Affairs for the period 1997–2003 (approximately 3 million) and release the results during 2004.

Outputs and service delivery trends

Subprogramme	Output	Actual performance against targets	
		Quantity	
		Target	Actual
Census Content Development, Research and Output Census Operations Census Programme Office	Census 2001 results and publications	30 April 2003	July 2003 Census 2001 results and publications
	Census 2006 planning documents	2 planning documents	2 planning documents (1 Strategy and 1 operational)
Demographic Analysis	Thematic reports on fertility, mortality, migration, and nuptiality, as well as population projections and estimates	3 reports	1 draft report on fertility, 1 draft report on mortality, 1 discussion document on migration, Mid-year population estimates.
Health and Vital Statistics	Statistical information on tourism and migration	1 monthly series	Monthly reports on tourism
	Statistical information on births, deaths, marriages and divorces	4 annual reports	2 draft reports on marriages and divorces for 1999 and 2000; annual reports on tourism, migration and births.

Programme 4: Quality and Integration

Purpose: This programme aims to improve the integration, quality and use of official statistics.

Measurable objective: To provide integrated social, economic and demographic information that enhances the quality and usage of national statistics.

The programme comprises four divisions.

- **Quality and Methodology** provides methodological support and expertise in the compilation of official statistics. It also quality assures statistical products and processes.
- **Integrative Analysis** compiles thematic reports based on data sourced throughout the National Statistics System.
- **National Accounts** produces the Gross Domestic Product and other integrative statistical products.
- **Human Capacity Development** ensures that necessary skills are available for the production and use of official statistics throughout the National Statistics System.

Quality and Methodology and Integrative Analysis



Dr Jairo Arrow (seated) and senior members of the Quality and Methodology and Integrative Analysis divisions

Staff in Quality and Methodology have been organised into two groups to work with social statistics and economic statistics respectively, so that support to those divisions is optimised and streamlined.

The social statistics working group has reviewed questionnaires, manuals, tabulation plans and reports at different stages of all the social surveys conducted by Stats SA. It has developed a system of operation in relation to other components (Standard Operating Procedures), with the purpose of setting high level standards to improve quality.

The economic statistics working group led the investigation on the CPI review. This led to the establishment of a project to change the CPI collection methodology.

Quality and Methodology provided support to other government departments, such as Education, Science and Technology, Health, and the Independent Electoral Commission, thus giving meaning and substance to the concept of the NSS, where Stats SA is to provide leadership on the establishment of best practice methodologies.

Classifications and Related Systems software (CARS) was purchased from Statistics New Zealand in November 2003. Two staff members from Quality and Methodology and one from Information Technology went to New Zealand to be trained on the

software. The IT infrastructure has been set up and is in the process of being rolled out through the organisation. The software will act as a central classifications repository, which will contain all the current economic, social, demographic and geographic classifications, concordances and code files used by data collections within Stats SA.

The component has also been instrumental in the establishment of a South African Technical Committee on the Application of Statistical Methods (TC 169). This committee will mirror the international committee from the International Standards Organisation (ISO), and will be responsible for declaring South African Standards in the field of statistics.

Work on a manual on questionnaire development, evaluation and testing is being completed. This will act as a general guideline and will form the basis for policy development on the issue of questionnaire development. It is also seen as the first step in the development of comprehensive standards for Stats SA on the issue of questionnaire development.

Following the release of Census 2001 results, a large number of special data requests were fulfilled for users.

National Accounts

National Accounts is the primary internal user of much of the data produced by Stats SA. The strategy for economic statistics is focused in the short term on ensuring a supply of data to enable benchmarking of national accounts in November 2004.



Mr Joe de Beer (standing, far left) and members of the National Accounts team

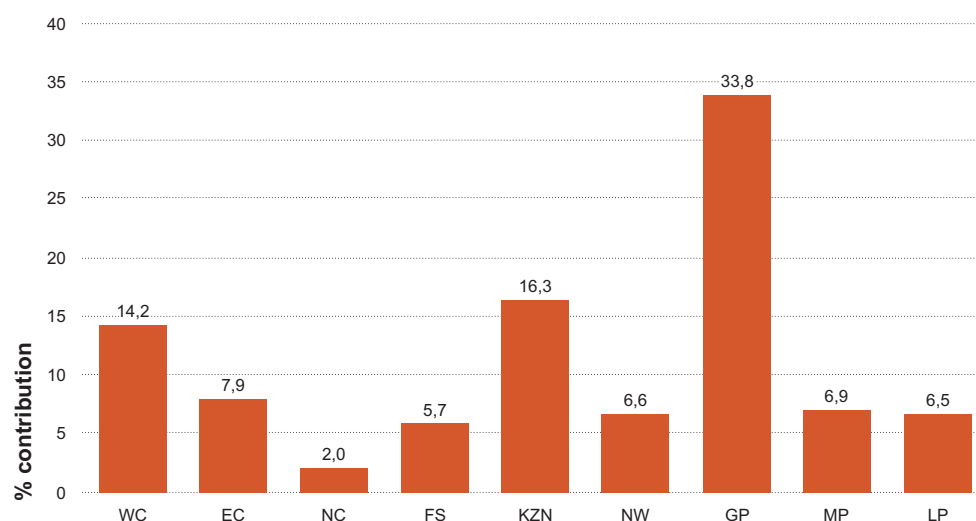
Much of the work of the division is concerned with the rebasing and benchmarking of national accounts, which happens every five years in line with international practice. The result of this process will be a change in the base year from 1995 to 2000, as well as a more accurate portrayal of the dynamics of economic activity in South Africa.

Key outputs for the year were as follows:

- the publication of quarterly estimates of Gross Domestic Product (GDP) according to the framework of the 1993 System of National Accounts. This was done within the guidelines of the International Monetary Fund's special data dissemination standards;
- detailed annual estimates of GDP for the reference period 1994–2002;
- annual estimates of GDP by region for the reference period 1995–2002, published as official statistics, replacing the previously released discussion document;
- a set of Supply and Use tables for the reference year 2000; and
- the first official natural resource account was published, focusing on water. These accounts link national accounts to the environment.

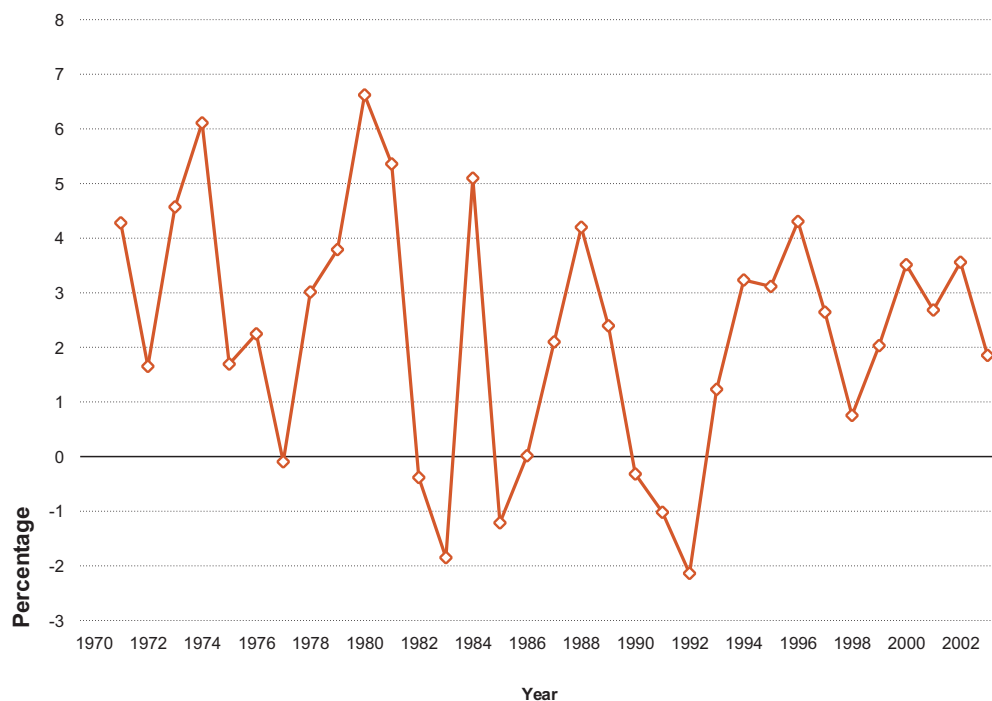
An institutional committee comprising members of the tourism industry was established with the aim of improving the range of tourism-related statistics in South Africa and developing tourism satellite accounts.

Gross Domestic Product per Region (GDPR) contribution to the South African economy, 2002



In 2002, Gauteng, KwaZulu-Natal and Western Cape were the highest contributors to the national economy of South Africa. Jointly these three provinces contributed 64,4% to the national GDP, with Gauteng representing a third of the economy. The lowest contribution was made by Northern Cape.

Real annual economic growth rate: 1970 to 2003



Real annual GDP at market prices (at 1995 prices) increased by 1,9% in 2003 compared with to 3,6% in 2002. The main contributors to the increase in economic activity in 2003 were transport and communication (0,7 of a percentage point); finance, real estate and business services (0,5 of a percentage point); and wholesale and retail trade, hotels and restaurants (0,4 of a percentage point).

Human Capacity Development



Prof Mbulaheni Nthangeni (left, back row) and senior members of the Human Capacity Development division

The development of statistical capacity in Stats SA and in the country more broadly is a key strategic goal of the organisation.

Over the past year, a total of 101 staff members were trained in statistical skills including 44 who attended in-house training courses on basic and advanced complex sampling techniques.

Sixteen students continued their training in data mining at Wits University, of whom half are at Honours level and the other half at Masters level.

In July 2003, the first group of students studying at the East African Statistical Training Centre in Tanzania and the Institute of Statistics and Applied Economics in Uganda completed their studies. Seven obtained Masters degrees and ten obtained diplomas in official statistics. A further group started their studies at these institutions during the year.

The division also trained about 850 staff members in skills programmes and other short courses. These included 20 managers who completed the Presidential Strategic Leadership and Development Programme and 10 trainers who underwent the ETD programme with the aim of getting institutional accreditation as training providers within the public service.

A learnership programme in project management was established, attracting eight participants. Of these, four found permanent employment in Stats SA.



Minister Trevor Manuel addressing the Fiftieth Anniversary Conference of the South African Statistics Association on 5 November 2003



Prof Mbulaheni Nthangeni (far left, standing) and the Statistician-General, Mr Pali Lehohla (middle, standing) attended the 39th Graduation Ceremony of EASTC, in Dar Es Salaam on 30 July 2004 to share in the joy of the occasion with five Stats SA staff members who had been studying for their certificates and diplomas

Outputs and service delivery trends

Subprogramme	Output	Actual performance against targets	
		Quantity	
		Target	Actual
Quality and Methodology	Compendiums of concepts, definitions, and classifications	2 documents	Census 2001 concepts and definition manual completed
	Research reports on methodological issues	2 reports	2 documents on international best practices completed Sampling Methodology for Economic Statistics Sample maintenance for Economic Statistics Certified the General household survey and Labour force survey
Integrative Analysis	Reports analysing and integrating findings from various databases, and narrative and graphic reports	3 reports	Special data requests fulfilled
National Accounts	Data about the level of economic activity, within a coherent system of concepts and classification	1 quarterly series 3 annual series 2 periodic reports	The GDP was produced quarterly and annually, while the GDPR and supply and use tables were produced annually. Draft Natural Resource Account reports for water and minerals were compiled.
Statistical Capacity Building	A critical mass of skilled individuals, achieved by: a targeted statistical literacy programme an accredited in-house training programme a database of accredited tertiary level education providers	120 staff members	Wits Data Mining and Fusion: 16 Uganda students: 9 EASTC: 14 850 person training days

Programme 5: Statistical Support and Informatics

Purpose: This programme aims to optimise the use of technology in the production and use of official statistics, to promote and provide better access to official statistics, and develop provincial capacity to support the production and use of official statistics.

Objective: To improve service delivery and increase accessibility to statistical products and services through improving and strengthening systems at national, provincial and district level.

The programme consists of the following divisions:

- **Geographical Support** renders a mapping and geographical information system (GIS) service to Stats SA and other National Statistics System partners.
- **Statistical Information Services** promotes and distributes statistical information.
- **System of Registers** maintains a comprehensive and up to date list of businesses undertaking economic activity in the South African economy. This list forms the basis for a sampling frame for economic surveys.
- **ICT** develops the hardware and software infrastructure to support the core business of Stats SA.
- **Provincial Co-ordination** coordinates the work of Stats SA's provincial offices, which provide a statistical information service to users at a provincial and local level, and a fieldwork service for surveys.

Geographical support



Mrs Sharthi Laldaparsad (second left) and members of the Geography division

A good geographic frame is a fundamental necessity for high quality official statistics.

A major innovation of Census 2001 was the geographic representation of the data. A comprehensive series of Census 2001 atlases was produced for presentation to the President on the day of the launch of the census results. At the same time, a CD product *Census 2001: Digital Census Atlas* was prepared and made available to all other users, followed shortly by the CD *My Constituency: Ward profiles*.

The division also published the Geography Metadata document, which explains geographical structures, concepts and coding used for Census 2001, as well as a CD *Census 2001: GIS Spatial Data*, which contains all spatial boundaries for national, provincial, municipal, place name and EA levels of geography.

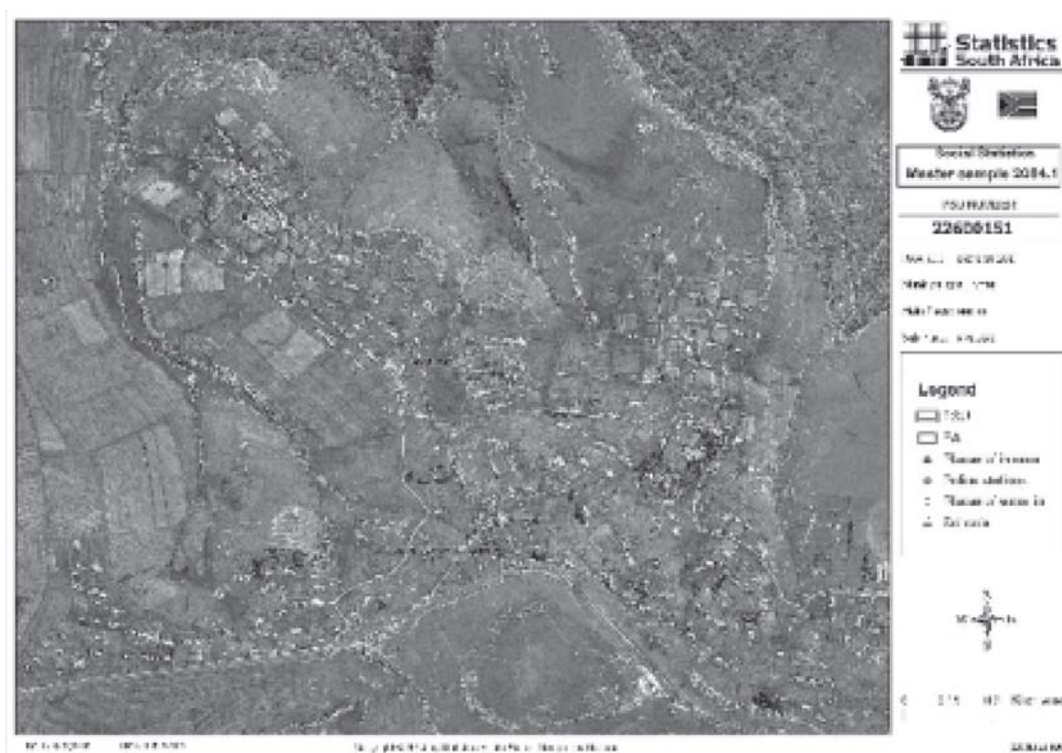
Stats SA is at the forefront of spatial data development in South Africa. As a result, the division handled numerous special requests for spatial data. Support in terms of product development, geographical support services, training sessions, workshops, conference presentations and exhibitions, was provided in order to ensure that spatial information is properly utilised by different levels of government in their planning and decision-making.

In support of both social and economic data analysis and dissemination, the division has linked the businesses on Stats SA's business frame to municipal level. Through this, one is able to analyse data at municipal level by turnover and Standard Industrial Classification code at the one-digit level.

Establishing a system of addresses is the main focus of this division for 2004/2005. Stats SA has committed itself to leading a team of inter-governmental role players in this project. National addressing standards and maintenance strategies will be developed and implemented through the Committee for Spatial Information, and similarly with other registers like that of the population register.

The division is rigorously preparing to move to the lowest level of geographic representation, namely addresses. Planning has begun for the assignment of addresses to those areas of the country which have not previously had systematic addresses, and the compilation of a database of addresses for the entire country. Stats SA will lead this initiative with an inter-governmental team.

The process to drive spatial information in the country has been done together with the Committee for Spatial Information (CSI) and the NSIF (National Spatial Information Framework). Workshops have been conducted with several metropolitan councils to build working relationships with respect to spatial data maintenance and updating standards.



Stats SA's spatial frame covers every corner of the country

Innovations in the use of statistics

The Development Index Framework

Statistical information lies at the heart of the monitoring of government's performance. The Limpopo province, under the leadership of the head of the Department of Finance and Economic Affairs jointly with Statistics South Africa, has taken the lead in designing a standardised index to describe the socio-economic position of each of its municipalities. Through the use of a Development Index Framework (DIF), the Central Place Index and indices from the 75 variables from the two censuses of 1996 and 2001, we can now rank municipalities in the province from the highest to lowest.

The index can be updated and reported on annually using information about businesses and at aggregated geographic levels of district council using survey data, and at municipal level once every ten years using Census data. The index also has the potential to be updated using management information from the province and municipalities, thus lending itself to the utilisation of statistics in decision-making. More importantly, it is an easy-to-use tool for engaging with municipalities and serves as a common template for monitoring and measurement.

Limpopo uses this DIF to target those areas in the province which are most in need of development, and to strengthen the areas which have greater potential for economic development. Stats SA has worked closely with the Limpopo Provincial Government in compiling the index and interpreting its results for planning and monitoring purposes. This information is now available for all municipalities and these can be ranked across the country and within the province.



Mr Morore Ben Mphahlele, Head of the Department of Finance and Economic Affairs, Limpopo Provincial Government

Statistical Information Services



Mr Motale Phirwa (second from the right, back row) and members of the Statistical Information Services division

Stats SA's new website, branded as StatsOnline was launched. The website offers visitors the following exciting new features:

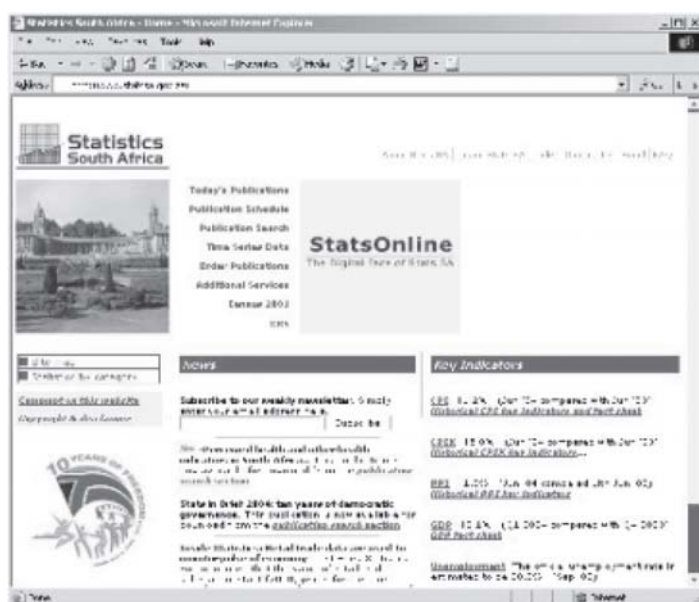
- an enhanced search functionality which enables searching for publications by keyword, month/year and category;
- a historical publication schedule going back two years;
- a dedicated 'one-click' page for downloading the current day's scheduled publications; and
- key economic indicators on the home page.

In the first month after the launch of the new website an average of 10 719 pages were viewed each day, with 2 766 users searching the website each weekday and 1 372 each Saturday and Sunday. There were 685 new subscribers to the time series data and 219 to the StatsOnline newsletter.

Meanwhile some 44 000 telephonic, fax, email and other queries were handled over the year by a dedicated team of personnel, including about 1 000 personal visits to Stats SA's one-stop shop and information centre.

The Marketing unit spent much time in launching the product *Census 2001: Community profiles*. As a result about 150 community profiles were installed at various institutions and 343 people trained in the use of the package.

Presentations were made to 124 public and private sector institutions and more than 3 000 stakeholders attended one of the ten census launches. In addition at least 330 stakeholders attended one of nine provincial workshops in November 2003.



Stats SA's new website StatsOnline enables users to find statistical information quickly and in an easy-to-use way

In the Publishing unit three regular cross-sectional publications were produced, the quarterly *Bulletin of statistics*, the annual *South African Statistics*, and a special edition of the flagship product: *Stats in brief: Ten years of democratic governance*.

The editorial and design units spent most of the year working on a range of Census 2001 products. The list of products includes *Census in brief* (paper and CD), *How the count was done*, *My constituency* (CD), *10% sample* (CD), *Digital Census Atlas* (CD), *Key results* (pamphlet), *Census Information* (CD), *Post-enumeration survey* (printed) and a number of publicity posters. All these products are also available on *Statsonline*.

Work will continue into the new financial year on preparing additional Census 2001 information products for publication. These include a set of 10 (national and provincial) primary tables and a volume of summarised census data for all municipalities.

Other non-census work included a big editing and design job in producing eight provincial profiles. Apart from the need for regional statistics, this project served to empower provincial staff in analytical and writing skills.

The Printing and Distribution unit provides a specialised publishing support service to the entire organisation and the use of modern technology enables this unit to continuously expand the range and sophistication of its services.

The unit recently acquired a full digital printing machine, which includes the functionality of merging documents in different formats into a single document. Modern technology not only enhances efficiency but also brings about considerable time and cost savings. Likewise the dissemination process was shortened by the use of a packaging and wrapping machine, rather than using envelopes.

System of Registers

Stats SA realised that the old business register built from a range of administrative sources was no longer adequately capturing a population of businesses of all sizes in all industries of South Africa's economy. It therefore set out to develop an improved business register which is based on the value added tax (VAT) database obtained from the South African Revenue Service (SARS). It thus covers all businesses in South Africa registered for VAT. The new register also includes businesses registered for income tax. This will provide a business register-updating source for businesses too small to register for VAT. Related sub-tax categories also included in the new register are pay-as-you-earn tax, contributions to the unemployment insurance fund, the skills development levy and customs and excise duties.

The system of registers component has started a quality improvement survey to ensure proper classification of units on the register. The component has been reorganised to focus on delivering a sampling frame for the economic surveys which will culminate in the benchmarking of the GDP/National Accounts for November 2004.

This component has started to geo-code linking of production units on the business register to municipalities, a mapping activity which will become an integral part of the component's work.

Information and Communication Technology



Mr Sydney Molefe (left) and senior staff of the Information and Communication Technology division



The Information technology network is the backbone of all Stats SA's operations

Information and communication technology lies at the heart of all operations of Stats SA. During the year, specific support was provided to the Data Processing Centre (mainly for the capturing of death notification forms); the development of data capturing systems for various surveys, and the provision of analytic software tools.

Both the local and wide area networks used by Stats SA were subject to a large number of virus attacks. This led to enhancements of the security measures on the networks. The process is ongoing and further improvements are in the pipeline to be implemented.

Data Management and Information Delivery (DMID)



Mr Ashwell Jenneker is the manager of the Data Management and Information Delivery project

Standardisation in the storage of data and metadata, so that data can be accessed and analysed across different sets, has been identified as a priority by both Stats SA and users of its data. This includes data warehousing according to common standards and classifications, and the development of uniform rules of data governance and quality assessment. It also includes facilities to map and record data dependencies within and between different statistical collections.

On 26 January 2004 the executive management team of Stats SA inaugurated the data management and information delivery (DMID) project to address these priorities. The broad vision of the project is to improve access to reliable information to facilitate evidence-based decision-making. Specifically, the project will address the following:

- expansion of analytical capability, through the ready availability of historical data and the integration of previously disparate data sources;
- central availability of data to users, both internal and external;
- common understanding of definitions;
- incorporation of consistent quality standards in statistical production;
- elimination of duplication;
- a standard metadata repository linked to the data; and
- mapping of data dependencies between statistical series.

The project will be developed and implemented over an initial three-year period, during which data will be converted into formats appropriate for standardised warehousing.

Provincial Co-ordination



Mr Risenga Maluleke (seated, right) and provincial managers

Over the past year the provincial offices have focused on providing cost-effective and efficient fieldwork capacity and on improving the statistical information services to all stakeholders. Activities included fieldwork for the household survey programme, follow-ups for the Business Register, census mapping and GIS-related activities, local government surveys collection, and statistical information dissemination and marketing. In addition, certain financial responsibilities have been devolved to the provinces.

Census 2001 results were launched in all nine provinces, and the *Community Profiles* were installed in provincial government departments to enable them to use statistics to make informed and evidence-based decisions. In various provinces our offices provided particular information such as poverty maps, and maps and statistical information in support of the provincial government's response to particular crises, such as malaria, cholera, and foot and mouth disease.

There is considerable demand for information at provincial and local levels. However, the provincial offices of Stats SA are not yet fully equipped to respond to all these requests. A further difficulty is the lack of expertise in provincial and local governments to use the statistical data that is available at that level.

A major focus in the next year will be the development of the National Statistics System at a provincial level, with the aim of coordinating the supply of statistical information to meet province-specific requirements.

Outputs and service delivery trends

Subprogramme	Output	Actual performance against targets	
		Quantity	
		Target	Actual
Geographical Support	Geographic framework for spatial analysis of statistical information.	40 per cent of geographic frame.	100% completion of Census 2001 Geographic Frame i.e. EAs, place names, municipalities, provinces, wards.
System of Registers	Sample frame for the collection of economic statistics	Annually in June	1 CD Sampling frame released to Economic stats
Systems Support	A local area and wide area network to facilitate information sharing	98 per cent of time of network availability	100% up LAN 90% up WAN
Statistical Information Services	Accessible Stats SA's statistics	48 000 calls from users per annum	48 000 per annum
		800 000 hits on the website per month	Average 800 000 per month
Provincial Co-ordination	Fieldwork capacity within Stats SA	90 000 questionnaires	10 000 National Travel Survey questionnaires 30 000 general household survey questionnaires 60 000 LFS questionnaires

Part 3

Who we are

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, 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 a workshop with users in October 2003 on whether to hold a census in 2006.

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 services: 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.

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 2004. 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)	Total employees on 31 March 2004
1. Administration	69 208	38 908	1 429	12 136	56,2	147,4	264
2. Economic & Social Statistics	73 300	37 533	391	14 469	51,2	104,3	360
3. Population Census & Statistics	32 093	17 185	396	5 127	53,5	63,2	272
4. Statistical Methodology & Integration	17 964	13 124	884	639	73,1	234,4	56
5. Statistical Support & Informatics	88 370	48 355	408	5 285	54,7	157,5	307
Total	280 935	155 105	3 508	37 656			1 259

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)
Permanent employees				
Levels 1-2	1	35	0,03	35
Levels 3-5	88	4 596	3,35	52
Levels 6-8	531	59 374	43,23	112
Levels 9-12	220	37 631	27,40	171
Levels 13-16	87	35 702	26,00	410
Total	927	137 338		
Contract employees				
Levels 1-2	7	10	0,06	1
Levels 3-5	173	3 031	17,06	18
Levels 6-8	139	12 171	68,50	88
Levels 9-12	9	1 253	7,05	139
Levels 13-16	4	1 302	7,33	326
Total	332	17 767		
Permanent and contract				
Levels 1-2	8	45	0,03	6
Levels 3-5	261	7 627	4,92	29
Levels 6-8	670	71 545	46,13	107
Levels 9-12	229	38 884	25,07	170
Levels 13-16	91	37 004	23,86	407
Total	1 259	155 105		

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	26 008	0,24	72	0,13	180	1,00	229	0,29
2. Economic & Social Statistics	27 753	0,25	30	0,06	-	0,00	164	0,21
3. Population Census & Statistics	12 234	0,11	417	0,77	-	0,00	62	0,08
4. Statistical Methodology & Integration	8 627	0,08	-	0,00	-	0,00	21	0,03
5. Statistical Support & Informatics	34 974	0,32	20	0,04	-	0,00	318	0,40
Total	109 596		539		180		794	

(continued)

Programme	Overtime		Home owners allowance		Medical assistance		Total
	R'000	%	R'000	%	R'000	%	R'000
1. Administration	1 031	0,82	708	0,26	1 248	0,22	29 476
2. Economic & Social Statistics	-	0,00	440	0,16	1 581	0,28	29 968
3. Population Census & Statistics	182	0,15	250	0,09	380	0,07	13 525
4. Statistical Methodology & Integration	-	0,00	480	0,17	499	0,09	9 627
5. Statistical Support & Informatics	37	0,03	894	0,32	1 936	0,34	38 179
Total	1 250		2 772		5 644		120 775

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	33	0,03	6	0,48	-	0,00	-	0,00	39
Levels 3-5	3 643	3,32	742	59,36	130	4,69	270	4,78	4 785
Levels 6-8	55 166	50,34	425	34,00	948	34,20	3 011	53,35	59 550
Levels 9-12	28 731	26,22	77	6,16	551	19,88	1 242	22,01	30 601
Levels 13-16	22 023	20,09	-	0,00	1 143	41,23	1 121	19,86	24 287
Total	109 596		1 250		2 772		5 644		119 262

Employment and vacancies

Table 3.1 – Employment and vacancies by programmes, 31 March 2004

Programme	Permanent posts			Number of contract posts	Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate		
1. Administration	261	234	7,3	30	0
2. Economic & Social Statistics	350	304	8,2	56	1
3. Population Census & Statistics	80	52	26,9	220	0
4. Statistical Methodology & Integration	65	48	7,3	8	0
5. Statistical Support & Informatics	352	289	7,3	18	0
Total	1 108	927	9,0	332	1

Table 3.2 – Employment and vacancies by salary bands, 31 March 2004

Salary band	Permanent posts			Number of contract posts	Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate		
Levels 1-2	3	1	0,0	7	0
Levels 3-5	121	88	0,0	173	0
Levels 6-8	634	531	8,3	139	1
Levels 9-12	253	220	15,0	9	0
Levels 13-16	97	87	7,8	4	0
Total	1 108	927	9,0	332	1

Table 3.3 – Employment and vacancies by critical occupations, 31 March 2004

Critical occupation	Permanent posts			Number of contract posts	Number of posts filled additional to establishment
	Number of posts	Number of posts filled	Vacancy rate		
IT Specialists	64	55	16,1	11	0
Economists	65	57	14,0	3	0
Statisticians & related professionals	394	370	6,5	63	0
Graphic designers	2	2	0,0	1	0
Total	525	484	8,5	78	0

Job evaluation

- In 1999, an Equate System was introduced in the public service which brought about a systematic approach to job evaluation.
- Between 2000 and 2002, many jobs under the following categories were evaluated, namely admin support, manager, and executive manager.
- From 2003 to date, focus has been on evaluating professional category and outstanding jobs from other categories as well as new posts, and re-evaluated jobs.

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	1	0	0,0	0	0,0	0	0,0
Levels 3-6	88	4	9,1	4	9,1	0	0,0
Levels 7-8	531	1	2,3	1	2,3	0	0,0
Levels 9-12	220	38	86,4	38	86,4	0	0,0
SMS Band A	62	1	2,3	1	2,3	0	0,0
SMS Band B	17	0	0,0	0	0,0	0	0,0
SMS Band C	7	0	0,0	0	0,0	0	0,0
SMS Band D	1	0	0,0	0	0,0	0	0,0
Total	927	44	100,0	44	100,0	0	0,0

Table 4.2 – Profile of employees absorbed in an upgraded post

	African	Asian	Coloured	White	Total
Female	73	2	0	42	117
Male	64	5	3	25	97
Total	137	7	3	67	214

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
Office administration	1	7-9	10	Person already on salary level 10 before job was graded
Product development & Dissemination (Professional)	1	7-9	10	Person already on salary level 10 before job was graded
Total	2	-	-	

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	1	1
Male	1	0	0	0	1
Total	1	0	0	1	2

Employees with a disability

None

Employment changes

Table 5.1 – Annual turnover rates by salary band

Salary band	Total employees on 1 April 2003	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Levels 1-2 (permanent)	0	0	0	0,0
Levels 1-2 (temporary)	143	250	347	88,3
Levels 3-5 (permanent)	79	1	3	2,5
Levels 3-5 (temporary)	39	304	74	21,6
Levels 6-8 (permanent)	487	38	22	4,2
Levels 6-8 (temporary)	213	91	71	23,4
Levels 9-12 (permanent)	118	15	7	4,5
Levels 9-12 (temporary)	29	3	10	31,3
Senior Management Service Band A (permanent)	46	6	2	1,9
Senior Management Service Band A (temporary)	2	0	0	0,0
Senior Management Service Band B (permanent)	13	0	0	0,0
Senior Management Service Band B (temporary)	4	0	0	0,0
Senior Management Service Band C (permanent)	5	1	0	0,0
Senior Management Service Band D (permanent)	1	0	0	0,0
Total	1 179	709	536	28,2

NB: The high rate of appointments and terminations is due to the Census 2001 project.

Table 5.2 – Annual turnover rates by critical occupation

Occupation	Number of permanent & contract employees on 1 April 2003	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
IT Specialists	67	11	17	21,8
Economists	32	5	3	8,1
Statisticians	192	78	42	15,6
Total	291	94	62	16,1

Table 5.3 – Reasons why staff are leaving the department

Termination type	Number	Percentage of total terminations	Percentage of total permanent employees
Permanent staff			
Death	2	6,3	
Resignation	18	56,3	
Dismissal - operational changes & misconduct	0	0,0	
Discharged due to ill health	3	9,4	
Retirement	4	12,5	
Other	5	15,6	
Total	32	100,0	4,3
Temporary staff			
Death	2	0,4	
Resignation	69	13,7	
Expiry of contract	405	80,5	
Dismissal - operational changes	24	4,8	
Dismissal - misconduct	2	0,4	
Other	1	0,2	
Total	503	100,0	

Table 5.4 – Promotions by critical occupation

Occupation	Number of employees on 1 April 2003	Promotions to another salary level		Notch progressions	
		Number	Percentage of total in occupation	Number	Percentage of total in occupation
IT specialists	67	12	17,9	15	22,4
Economists	31	15	48,4	0	0,0
Statisticians	230	85	37	123	53,5
Total	328	112	34,1	138	42,1

Table 5.5 – Promotions by salary band

Salary band	Number of employees on 1 April 2003	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	143	0	0,0	3	2,1
Levels 3-5	118	24	20,3	35	29,7
Levels 6-8	700	92	13,1	208	29,7
Levels 9-12	147	74	50,3	34	23,1
Levels 13-16	71	35	49,2	1	1,4
Total	1 179	225	19,1	281	23,8

Employment equity

Table 6.1 – Total number of employees (incl. employees with disabilities) per occupational category, 31 March 2004

Occupational category	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Legislators, senior officials and managers	21	6	3	1	1	1	10	7	50
Professionals	244	200	16	8	12	9	65	135	689
Clerks	171	204	4	6	0	4	7	52	448
Plant and machine operators and assemblers	15	3	0	0	0	0	1	0	19
Elementary occupations	31	16	2	1	0	0	3	0	53
Total	482	429	25	16	13	14	86	194	1 259
Employees with disabilities	4	1	0	0	0	0	1	7	13

Table 6.2 – Total number of employees (incl. employees with disabilities) per occupational band, 31 March 2004

Occupational band	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Top management	1	2	0	0	0	0	0	2	5
Senior management	30	10	5	2	4	2	18	11	82
Professionally qualified and experienced specialists and mid-management	82	60	3	2	5	2	33	40	227
Skilled technical and academically qualified workers, junior management, supervisors, foremen	225	244	14	11	4	10	32	140	680
Semi-skilled and discretionary decision-making	140	109	3	1	0	0	3	1	257
Unskilled and defined decision-making	4	4	0	0	0	0	0	0	8
Total	482	429	25	16	13	14	86	194	1 259

Table 6.3 – Recruitment

Occupational band	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Top management (permanent)	0	2	0	0	0	0	0	0	2
Senior management (permanent)	7	0	2	0	1	0	0	1	11
Senior management (temporary)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (permanent)	29	32	3	0	0	1	16	5	86
Professionally qualified and experienced specialists and mid-management (temporary)	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen (permanent)	92	122	3	2	2	5	4	11	241
Skilled technical and academically qualified workers, junior management, supervisors, foremen (temporary)	6	13	0	1	0	0	0	1	21
Semi-skilled and discretionary decision-making (permanent)	5	0	0	0	0	0	0	0	5
Semi-skilled and discretionary decision-making (temporary)	7	17	1	0	0	0	0	0	25
Unskilled and defined decision-making (permanent)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making (temporary)	0	0	0	0	0	0	0	0	0
Total	146	186	9	3	3	6	20	18	391
Employees with disabilities	0	0	0	0	0	0	0	0	0

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

Performance rewards

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

	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)
African	593	317	53	1 396 373	4 405
Male	313	163	52	809 242	4 965
Female	280	154	55	587 130	3 813
Asian	19	17	89	118 903	6 994
Male	12	11	92	91 212	8 292
Female	7	6	86	27 692	4 615
Coloured	32	21	61	71 904	3 424
Male	21	12	57	38 129	3 177
Female	11	9	82	3 374	375
White	241	188	78	1 073 315	5 709
Male	62	47	76	290 619	6 183
Female	179	141	79	782 696	5 551
Employees with a disability	9	2	22	11 851	5 926
Total	885	543	281	2 660 495	4 900

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 2003 to 31 March 2004

Salary band	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)	Total cost as a percentage of total personnel expenditure
Levels 1-2	8	6	75	19 889	3 315	0,7
Levels 3-5	121	33	27	58 214	1 764	2,2
Levels 6-8	631	400	63	1 566 696	3 917	58,9
Levels 9-12	125	104	83	1 015 694	9 766	38,2
Total	885	543	248	2 660 493	4 900	100,0

Table 7.3 – Performance rewards by critical occupation, 1 April 2003 to 31 March 2004

Critical occupation	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)
Economists	7	7	1	21 800	3 114
IT Specialists	24	19	79	154 606	8 137
Statisticians	19	16	84	93 409	5 838
Total	50	42	164	269 815	6 424

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

SMS band	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R)	Average cost per employee (R)
Band A	19	8	42	176 619	22 077
Band B	14	9	64	229 659	25 518
Total	33	17	51	406 278	23 899

Foreign workers

Table 8.1 – Foreign workers by salary band

Salary band	1 April 2003		31 March 2004		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Levels 1-2	1	4,8	0	0,0	-1	20,0
Levels 3-5	0	0,0	0	0,0	0	0,0
Levels 6-8	5	23,8	1	6,3	-4	80,0
Levels 9-12	6	28,6	6	37,5	0	0,0
Levels 13-16	9	42,9	9	56,3	0	0,0
Total	21	100,0	16	100,0	-5	100,0

Table 8.2 – Foreign workers by major occupation

Major occupation	1 April 2003		31 March 2004		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Professionals	19	90,5	15	93,8	-4	80,0
Information Technology	1	4,8	1	6,3	0	0,0
Clerks	1	4,8	0	0,0	-1	20,0
Total	21	100,0	16	100,0	-5	100,0

Leave utilisation

These figures include both permanent and contract employees.

Table 9.1 – Sick leave, 1 January 2003 to 31 December 2003

Salary band	Total days	Percentage of days with medical certification	Employees using sick leave		Average days per employee	Estimated cost (R'000)	Total number of days with medical certification
			Number	Percentage			
Levels 1-2	194	86,1	99	10,9	2	25	167
Levels 3-5	528	73,9	117	12,8	5	86	390
Levels 6-8	3 334	61,8	522	57,2	6	935	2 059
Levels 9-12	788	79,3	128	14,0	6	389	625
Levels 13-16	287	79,8	46	5,0	6	442	229
Total	5 131	67,6	912	72,5	6	1 877	3 470

Table 9.2 – Disability leave (temporary and permanent), 1 January 2003 to 31 December 2003

Salary band	Total days	Percentage of days with medical certification	Employees using disability leave		Average days per employee	Estimated cost (R'000)	Total number of days with medical certification
			Number	Percentage			
Levels 1-2	1	100,0	1	1,7	1	0	1
Levels 3-5	81	86,4	5	8,6	16	13	70
Levels 6-8	392	89,3	43	74,1	9	123	350
Levels 9-12	123	90,2	7	12,1	18	75	111
Levels 13-16	14	92,9	2	3,4	7	22	13
Total	611	89,2	58	100,0	11	233	545

Table 9.3 – Annual leave, 1 January 2003 to 31 December 2003

Salary band	Total days	Average per employee	Number of employees
Levels 1-2	17	2	8
Levels 3-5	1 920	7	261
Levels 6-8	11 842	18	670
Levels 9-12	3 718	16	229
Levels 13-16	1 199	13	91
Total	18 696	15	1 259

Table 9.4 – Capped leave, 1 January 2003 to 31 December 2003

Salary band	Total days taken	Average days taken per employee	Average capped leave per employee as at 31 December 2003	Total number of days of capped leave available at 31 December 2003	Number of employees with capped leave as at 31 December 2003
Levels 1-2	0	0	0	0	0
Levels 3-5	30	0	30	1 093	37
Levels 6-8	452	7	42	12 440	296
Levels 9-12	76	1	46	5 654	122
Levels 13-16	10	0	61	3 213	53
Total	568	8	44	22 400	508

Table 9.5 – Leave payouts, 1 April 2003 to 31 March 2004

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Non-utilisation of leave for the previous cycle	616	89	6 921
Capped leave payouts on termination of service	216	9	24 000
Current leave payouts on termination of service	529	272	1 945
Total	1 361	370	3 678

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 – Steps taken to deal with HIV/Aids in the workplace

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	4 staff members and a budget of R1 300 000,00 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	The HIV/Aids Committee, comprising: Mr M Msimango (HIV/Aids Co-ordinator and person living openly with HIV/Aids), Ms K Theo (Co-ordinator for EAP unit), Ms M Lelosa (Economic & Social Stats), Mr I Magwaba (Economic & Social Stats), Mr PS Dhlamini (Executive Manager: HRM) and PSA and NEHAWU representatives.
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 and 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.	YES	A poster was developed in order to sensitise staff on VCT. Also, a daily HIV/Aids Email talk flyer raises discussion and information to make staff aware of VCT.
8. Has the department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.	YES	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 who 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 2003 to 31 March 2004

None

Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2003 to 31 March 2004

Outcome of disciplinary hearings	Number	Percentage of total
Correctional counselling	3	13,04
Verbal warning	4	17,39
Written warning	3	13,04
Final written warning	7	30,43
Suspended without pay	0	0,00
Fine	0	0,00
Demotion	0	0,00
Dismissal	3	13,04
Not guilty	0	0,00
Case withdrawn	1	4,34
Money recovered	2	8,69
Total	23	99,97

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of total
Theft	1	4,3
Alcohol abuse	0	0,0
Misuse of motor vehicle / property	8	34,8
Unauthorised absence	7	30,4
Insubordination	4	17,4
Assault	0	0,0
Misrepresentation	0	0,0
Gross negligence	1	4,3
Email abuse	0	0,0
Motor vehicle accidents	0	0,0
Sexual harrassment	2	8,7
Total	23	100,0

Table 11.4 – Grievances lodged for the period 1 April 2003 to 31 March 2004

	Number	Percentage of total
Number of grievances resolved	4	40,0
Number of grievances not resolved	6	60,0
Total number of grievances lodged	10	100,0

Table 11.5 – Disputes lodged with councils for the period 1 April 2003 to 31 March 2004

Disputes lodged	Number	Percentage of total
Disputes upheld	0	0,0
Disputes dismissed	1	100,0
Total	1	100,0

Table 11.6 – Strike actions for the period 1 April 2003 to 31 March 2004

None

Table 11.7 – Precautionary suspensions for the period 1 April 2003 to 31 March 2004

Number of people suspended	3
Number of people whose suspension exceeded 30 days	3
Average number of days suspended	90
Total cost of suspensions (R'000)	106 874,25

HR oversight statistics for the period 1 April 2003 to 31 March 2004

Table 12.1 – Training needs identified

Occupational categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	21	10	31
	Male	0	0	26	15	41
Professionals	Female	0	0	65	55	120
	Male	0	0	136	98	234
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	329	127	456
	Male	0	0	229	109	338
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub-totals	Female	0	0	415	192	607
	Male	0	0	391	222	613
Total		0	0	806	414	1220

Table 12.2 – Training provided

Occupational categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	94	4	98
	Male	0	0	207	14	221
Professionals	Female	0	2	55	26	83
	Male	0	5	53	50	108
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	253	110	363
	Male	0	0	189	118	307
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Gender sub-totals	Female	0	2	402	140	544
	Male	0	5	449	182	636
Total		0	7	851	322	1180

Injuries

Table 13 – Injury on duty

Type of injury	Number of people
Required basic medical attention only	16
Fatal	0
Total	16

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	100 765,51
Space planning for move of Department	5	915 588,34
Programming for Cash system - Census	1	52 825,00
Management consulting	1	250 800,00
HR audit	3	90 241,69
Review of cash payments - Census	3	44 707,38
Forensic audit	3	134 949,07
Editor and Publicity advisor	1	451 287,10
Strategic Management Consultant	2	21 139,80
Video production of Census	3	77 611,00
Census @ School	1	570 004,54
Business Register establishment	1	51 375,00
Coordination of IT training programme - Pakistan	1	212 913,10
Integration of software and project management for Census processing	37	14 439 989,69
Coding of Causes of death for Mortality programme	1	1 027 656,25
Legal advice	2	16 758,00
Recruitment of capturers for Census @ School, Census Finance	2	5 106 277,70
Communication strategy proposal	1	28 500,00
Integration of software for Census processing	1	72 461,63
Regionalisation of South Africa	1	1 295 800,00
Quality and Methodology principles	1	100 087,31
Gender project	1	13 717,25
Total number of projects	Total individual consultants	Total contract value in Rand
22	73	25 061 738,11

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Part 4

Ensuring that we play within the rules

Report of the Audit Committee

Report of the Audit Committee of Statistics South Africa

for the year ended 31 March 2004

The Audit Committee remains concerned regarding Statistics South Africa's ability to exercise responsible financial and organisational management and control within the organisation. There is a need for serious intervention to strengthen senior management and to complement the organisation's existing skills. Given the findings of a performance audit on the human resources management of Stats SA conducted by an external audit firm, we believe that the restructuring and the way it was conducted has added to the problem rather than alleviating it. In our opinion, and as we stated last year, failure to address these deficiencies is affecting Stats SA's ability to deliver official statistics of a sufficiently high quality, and raises questions as to the sustainability of the organisation.

The Auditor General's Management Report on the Regularity Audit performed at Statistics South Africa for the year ended 31 March 2004 also raises serious concerns about financial mismanagement and financial misconduct at Statistics South Africa.

These concerns and other matters are being raised by the Audit Committee to the level of the Executive Authority for corrective intervention, as prescribed in terms of the Public Finance Management Act.

The Audit Committee held six meetings in the 2003/2004 financial year, and the Chair attended the hearing by Scopa in August 2003.

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

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

Part 5

Management of assets

Financial statements

Management report

for the year ended 31 March 2004

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

1. General review of the state of financial affairs

During the year Stats SA released the results of Census 2001. The results have been used by a wide range of stakeholders and all products are available free of charge.

Improvements were made to the set of economic statistics, including the business register sampling frame. A project was initiated to change the methodology of collecting the Consumer Price Index (CPI) data. A pilot project is being undertaken to collect prices directly from retail outlets, rather than through the post.

Sources of income

Four sources of income are reflected in the income statement:

- Appropriations
- General Revenue
- Foreign Aid Assistance
- Contract work

Summary of financial performance

An initial amount of R293,200 million was voted for the 2003/04 financial year. This amount was increased during the Adjustment Budget to R293,884 million. An amount of R0,994 million was rolled over from 2002/03 in respect of a GIS tender initiated in that financial year and an amount of R310 000 was transferred to Public Works in respect of rental for the Department's data processing centre and for parking required in the Western Cape. Final expenditure for the financial year on appropriations was R280,935 million, resulting in a surplus of R12,949 million.

General revenue

A total amount of R2,636 million was collected on behalf of the general revenue fund.

Foreign aid assistance

An amount of R1,507 million was brought forward from the previous financial year. A further amount of R0,82 million was received during this financial year. A total of R1,520 million was therefore available to finance the related projects. Expenditure incurred during 2003/04 amounted to R0,702 million. An amount of R0,818 million is still available for ongoing work.

Contract work

An amount of R5,235 million was brought forward from 2002/03 in respect of ongoing projects. A further amount of R23,324 million was received during this financial year. A total of R28,556 million was therefore available for the specific projects. Expenditure of R22,014 million was incurred during the financial year. The balance of R6,542 million is in respect of projects still to be completed.

2. Services rendered by the Department

The main statistical activities of the Department during the financial year were as follows:

National Accounts

- Quarterly gross domestic product estimates
- Annual gross domestic product estimates
- Annual supply and 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

Industry and Trade Statistics

- Primary sector statistics
- Secondary sector statistics
- Tertiary sector statistics
- Tourism statistics
- Business services statistics

Employment Statistics

- Employment and earnings
- Average monthly earnings

Price Statistics

- Consumer price index (CPI)
- Rural consumer price index
- Production price index (PPI)
- Price statistics for services

Social Statistics

- General household survey
- User-paid surveys
- Two labour force surveys

Vital Statistics

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

Population Statistics

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

The Department disseminates most of its statistics through its website at no cost to users. As a general principle, Stats SA does not seek to recover any of the costs of data collected, products developed or standard services provided. The exception is where costs not provided for in the core budget of Stats SA are incurred in servicing user requests.

3. Capacity constraints

The Department has consistently been increasing the number of projects undertaken each year in order to meet user demands for different types of statistics. An insufficient number of permanent staff has resulted in the need to recruit and train numerous temporary staff when undertaking such projects. Future plans include the appointment of core permanent field staff, sufficient in number for the undertaking of medium-sized surveys. This core could be supplemented with temporary staff during larger surveys and censuses. The establishment of regional offices would form part of this initiative. Thirty regional offices were in the process of being set up during 2003/04.

Certain core statistical skills are lacking in the Department. These skills are also not readily available in the labour market in South Africa. Consequently Stats SA has been utilising the expertise of foreign statistical agencies, primarily from Australia, Sweden and Canada, to assist in the improvement of methodologies and to transfer skills that are lacking in Stats SA. This expertise has been used in particular in the area of economic statistics.

Numerous problems have been experienced with the transversal BAS and Logis systems. The BAS system is currently overstrained resulting in delays or difficulties in obtaining financial reports. This difficulty was particularly pronounced when closing the books of account and compiling the financial statements for 2003/04. These systems are mandatory and the Department is prohibited from seeking alternatives.

4. Utilisation of donor funds

Donor funds were utilised to carry out a comprehensive survey of non-financial statistical information on the existing infrastructure of and services provided by the two hundred and eighty-four municipalities.

5. Trading entities / public entities

The Dissemination and Marketing Trading Account was closed during the 2003/04 financial year. The trading account activities were terminated at the end of June 2003. The main purpose of the trading account when it was established was to sell statistical products emanating from Census '96 and thus provide a source for funding the marketing and dissemination of these products. A decision rather to regard census products as a public good and in this way to increase the usage and benefits of census information resulted in a decision to provide them free of charge, since the census is financed through appropriations.

6. Corporate governance

The post of Deputy Director-General: Organisation and Management was filled from January 2004. This post is key to the improvement and maintenance of good governance in the Department.

Senior managers of the Department undertook an intensive risk identification exercise in November 2003 together with an expert in the field of risk management. This was followed by a series of sessions where risk controls were determined. The next phase is to ensure that these controls are implemented and proved to be effective.

The Department implemented a Management Information System during the financial year to capture audit queries and responses. The system assists in tracking outstanding audit queries.

A performance management system which will manage projects and programmes, as well as the performance of all staff in the achievement of goals and objectives, on both management and other levels, has been designed for implementation as from the 2004/05 financial year.

7. New/proposed activities

The Department initiated two major projects during 2003/04, the CPI Development project and the Causes of Death project.

The CPI Development project aims to test and implement new methodologies for the collection of CPI data, namely the direct collection of data in outlets as opposed to the traditional method of obtaining information from respondents. The new methodologies should ensure more timely and accurate data. A pilot project was initiated in Mpumalanga during March 2004 and this will continue through to July 2004. The results of the pilot survey will determine how and when the project will be rolled out in other provinces.

There is an urgent need for information on deaths due to HIV/Aids and the Department has therefore brought forward its programme of capturing and coding death notification forms. The Causes of Death project involves the capturing and processing of death data for the period 1997 to 2003. This is a major project involving about 871 contract workers, working in three shifts seven days a week. It is planned to release the results of this project at the end of October 2004.

Activities in respect of the 2006 Population Census were kept at a low level during 2003/04 in anticipation of a Cabinet decision as to whether the census should be carried out on a five-yearly or ten-yearly basis. Cabinet took a decision on 31 March 2004 that there will be no census in 2006. In line with international practice, Statistics South Africa will now conduct a census every ten years. This means that the next census will be in 2011. To ensure regular updates on major trends in social data, the following will be carried out in the intervening period:

- A census of dwellings and the assignment and standardisation of physical addresses between 2005 and 2007; and
- An extended annual household survey in 2006 and every three years thereafter with data representation at municipal level.

The Department has also prioritised the improvement of the quality of its statistics. The focus during 2003/04 has been on economic statistics, including the business frame, the actual collections and their input into the national accounts.

8. Progress with the improvement of financial management

The Department carries out various field surveys, requiring large amounts of cash in the course of the year. The management of cash accounts was successfully devolved to the Department's provincial offices during 2003/04, preparing the way for the next step in the decentralisation process, namely the processing of fieldworker payments at provincial level. It is planned to decentralise financial functions in a phased manner, eventually meeting the logistical demands of population censuses.

The Department implemented a Management Information System during the financial year to capture its activities and projects, together with budget plans. The system will facilitate and significantly improve the management of activities and projects in line with the allocated budgets as from the 2004/05 financial year.

A tendering process was also initiated during 2003/04 to procure a modern asset management system that uses bar-coding as the basis for marking and tracking assets. Although the process was delayed due to technical problems, the expectation is that a suitable system will be implemented early in the new financial year.

9. Performance information

Both internal and external audits have highlighted weaknesses in the Department's compliance with the requirements of the Public Finance Management Act. These weaknesses are mainly due to insufficient skills particularly in the procurement areas, where competition between departments often results in the loss of skilled staff to the highest bidder. The Department has lost procurement staff at senior levels and, despite various recruitment drives, it has been difficult to attract suitable replacements. This situation has been exacerbated by the continuous need to meet the resource requirements of the major projects undertaken by the Department.

The legacy of procurement and financial transversal systems used by the Department do not contribute to effective financial management due to their inability to track work as in a workflow system or produce reports that promote good financial management. The use of these systems is mandatory and the Department may therefore not seek alternative systems. There is an urgent need to obtain systems that are flexible in meeting management's information needs.

Currently, the system contains detailed planning information that provides the basis for monitoring performance during the year.

The Department has also initiated a process of quarterly review meetings where performance is reported in relation to the expectations of the Estimates of National Expenditure and plans for the forthcoming quarter are discussed.

Approval

The annual financial statements set out on pages 100 to 132 have been approved by the Accounting Officer.



PJ Lehohla
Statistician-General (Accounting officer)

31 May 2004



A U D I T O R - G E N E R A L

Report of the Auditor-General

to Parliament on the Financial Statements of Vote 13 – Statistics South Africa
for the year ended 31 March 2004

1. Audit assignment

The financial statements as set out on pages 100 to 132, for the year ended 31 March 2004, 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 Expenditure procured in contravention of tender procedures

I reported previously [RP 150/2003, page 82, paragraph 5.3] that State Tender Board (STB) regulations were not complied with in the procurement of services amounting to R16,1 million, mainly supplied by one contractor. During the current year further payments amounting to R3,3 million were made to the same supplier.

Furthermore, STB regulations and the Regulations in respect of the Framework for Supply Chain Management were not complied with in the procurement of services amounting to R9,0 million.

3.2 Unreconciled advances written off

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 staff, was unreconciled at the end of the 2001-02 financial year. An amount of R1,3 million, which was unaccounted for, was disclosed in note 14.5 to the 2002-03 financial statements. The accounting officer had informed me that the

reasons for the said R1,3 million would be investigated [RP 190/2003, page 81, paragraph 3.3].

Included in note 10.1 to the financial statements, is the R1,3 million that was written off as it remained unaccounted for. Evidence was not found of steps taken to recover the R1,3 million before it was written off. The reasons for the unaccounted amount or why recovery would be uneconomical were also not indicated.

3.3 Asset registers were incomplete and incorrect

Separate asset registers are kept for office equipment and computers and related equipment. Computer assets and related equipment of R13,1 million 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 Statistics South Africa at 31 March 2004 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 (PFMA), 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 Tax payments could not be verified

In my report for the year ended 31 March 2002 I reported that I could not verify payments to enumerators nor the related tax and levies [RP 148/2002, page 56, paragraph 3.1]. As reconciliations relating to these payments would be completed in the current financial year, I reported in the previous year that I could not verify the validity of the deductions and relevant tax payments [RP 190/2003, page 81, paragraph 3.1]. Transactions relating to these reconciliations were still passed in the current year. I was unable to verify the validity and accuracy of the deductions and tax payments due to late submission of these reconciliations and supporting documents.

5.2 Weaknesses in internal control

Various internal control weaknesses were identified and brought to the attention of the accounting officer. The following are examples of material internal control weaknesses that were identified:

5.2.1 Delegations of authority were inadequate

Delegations of authority were inadequate, as the delegations to budget managers were very broad. There were no specific delegations to staff in the finance and provisioning sections. For example, a person without the necessary authority requested funds amounting to R290 million.

Furthermore, proof of written authority to approve warrant vouchers, cheques or electronic payments as required by Treasury Regulation 15.12.1, could not be submitted to audit.

5.2.2 Implementation of internal audit recommendations is delayed

Implementation of the recommendations made by the internal audit (IA) function is delayed for various reasons, the most notable of these being the difficulties to obtain a common understanding between IA and management.

5.3 Absence of risk management strategy

A risk management strategy as required by Treasury Regulation 3.2.1 could not be submitted for the year under review. This non-compliance was also reported previously [RP 190/2003, page 83, paragraph 5.5].

5.4 Creditors not paid within 30 days

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 R4 million included in the audit sample were not paid within the prescribed period. Similar non-compliance amounting to R2,7 million was reported previously [RP 190/2003, page 83, paragraph 5.6].

5.5 Outstanding information on investigation

To date no information has been received on the progress made with the investigation of ghost employees as reported previously [RP 148/2002, page 57, paragraph 3.3].

5.6 Information systems audit of the general controls surrounding the IT environment

The above audit was completed in November 2003 and the findings were brought to the attention of the accounting officer.

The most significant weaknesses identified were the following:

- A formally approved information technology (IT) strategy plan, IT security policy and disaster recovery plan for the IT environment as a whole did not exist.
- Comprehensive approved program change control procedures, account management procedures and backup and recovery procedures had not been compiled. The backup tapes were furthermore not being tested and restored on a regular basis.
- Adequate password controls had not been implemented and the operating security parameter settings were not optimally utilised to prevent unauthorised access to the network.
- Programmers had access to the live environment and the activity log files were not reviewed on a regular basis. User identifications and passwords were shared and the lack of proper segregation of duties made it impossible to determine responsibility for actions on the system.
- Mainframe activity logs were not obtained by management to follow up on instances of, for example, attempts to gain unauthorised access to the transversal systems data.

In the comments dated 3 February 2004, the accounting officer referred to various corrective steps taken or actions envisaged to address the control weaknesses. The effectiveness of these steps and actions will be evaluated in due course.

6. Appreciation

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

S Labuschagne
for Auditor-General

Pretoria
31 July 2004

Statement of accounting policies and related matters

for the year ended 31 March 2004

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 7 of 2003.

1. Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosures. 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 basis of accounting, transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting, 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 Expenditure. Unexpended voted funds are annually surrendered to the National Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable 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 then transferred annually to the National 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.

Irregular expenditure is treated as expenditure in the income statement until such expenditure is either not condoned by National Treasury or the Tender Board, at which point it is treated as a current asset until it is recovered from a third party.

Fruitless and wasteful expenditure means expenditure that was made in vain and would 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. It is treated as a current asset in the balance sheet until such expenditure is recovered from the responsible official or funded from future voted funds.

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 2004 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement.

8. Investments

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.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

9. Investments in controlled entities

Investments in controlled entities are those 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 included in the balance sheet arise from cash payments that are recoverable from another party. Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the financial statements.

11. Payables

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

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 as part of the disclosure 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 part of the disclosure note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are 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 in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed as part of the disclosure notes.

15. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits is expensed in the income statement in the reporting period when 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 disclosure note to the financial statements and are not recognised in the income statement.

Termination benefits

Termination benefits 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 Revenue Fund and not in the financial statements of the employer department.

Medical benefits

The department provides medical benefits for (certain/all) its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. 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 payment is made to the fund.

16. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised 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 due to non-performance in accordance with an agreement, which have now become recoverable from a debtor. Repayments are transferred to the Revenue Fund as and when the repayment is received.

18. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprises cash on hand, deposits held on call with banks and bank overdrafts, all of which are available for use by the Department unless otherwise stated.

19. 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 2004

Programme	2003/04						2002/03	
	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
Administration	71 692	-	71 692	69 208	2 484	96,54	57 919	67 292
Current	65 806	-	65 806	65 933	(127)	100,19	54 718	66 272
Capital	5 886	-	5 886	3 275	2 611	55,64	3 201	1 020
Economic & Social Statistics	75 014	-	75 014	73 300	1 714	97,72	53 030	53 306
Current	71 713	-	71 713	70 391	1 322	98,16	53 030	53 306
Capital	3 301	-	3 301	2 909	392	88,12	-	-
Population Census & Statistics	34 064	-	34 064	32 093	1 971	94,21	159 985	158 198
Current	32 817	-	32 817	31 576	1 241	96,22	146 765	152 352
Capital	1 247	-	1 247	517	730	41,46	13 220	5 846
Statistical Methodology & Integration	21 627	-	21 627	17 964	3 663	83,06	11 383	13 196
Current	20 592	-	20 592	16 640	3 952	80,81	11 383	13 196
Capital	1 035	-	1 035	1 324	(289)	127,92	-	-
Statistical Support & Informatics	91 487	-	91 487	88 370	3 117	96,59	77 917	67 248
Current	77 571	-	77 571	81 560	(3 989)	105,14	55 793	55 076
Capital	13 916	-	13 916	6 810	7 106	48,94	22 124	12 172
Total	293 884	-	293 884	280 935	12 949	95,59	360 234	359 240

Reconciliation with Income Statement

Less: Investments acquired and capitalised during the current financial year – expensed for appropriation purposes

Add: Local and foreign aid assistance (including RDP funds) 1 520 702 7 800 6 293

Less: Other receipts

Add: Contract work 28 556 22 014 31 447 26 212

Add: Fruitless and wasteful expenditure

Actual amounts per income statement 30 076 22 716 39 247 32 505

Direct charges against the National Revenue Fund	2003/04						2002/03	
	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
(List charges against the National Revenue Fund)								
Total	-	-	-	-	-	-	-	-

Economic classification	2003/04						2002/03	
	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	268 499	-	268 499	266 100	2 399	99,11	321 689	340 202
Personnel	159 771	-	159 771	155 105	4 666	97,08	153 296	158 059
Transfer payments	1	-	1	-	1	0,00	-	-
Other	108 727	-	108 727	110 995	(2 268)	102,09	168 393	182 143
Capital	25 385	-	25 385	14 835	10 550	58,44	38 545	19 038
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	25 385	-	25 385	14 835	10 550	58,44	38 545	19 038
Total	293 884	-	293 884	280 935	12 949	95,59	360 234	359 240

Standard item classification	2003/04						2002/03	
	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	159 771	-	159 771	155 104	4 666	97,08	153 296	158 059
Administrative	57 810	-	57 810	50 135	7 676	86,72	43 048	46 664
Inventories	8 979	-	8 979	6 207	2 772	69,13	49 056	48 110
Equipment	31 210	-	31 210	29 327	1 882	93,97	45 690	27 891
Land and buildings	451	-	451	291	160	64,52	420	665
Professional and special services	35 390	-	35 390	37 656	(2 265)	106,40	67 037	75 448
Transfer payments	1	-	1	-	1	0,00	1	-
Miscellaneous	272	-	272	16	256	5,88	1 686	6
Special functions	-	-	-	2 199	(2 199)	-	-	2 397
Total	293 884	-	293 884	280 935	12 949	95,59	360 234	359 240

Detail per Programme 1 for the year ended 31 March 2004**Administration**

Programme per subprogramme	2003/04						2002/03	
	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
Management	21 007	-	21 007	18 887	2 120	89,91	14 301	15 563
Current	18 724	-	18 724	17 732	992	94,70	14 301	15 563
Capital	2 283	-	2 283	1 155	1 128	50,59	-	-
Corporate services	50 685	-	50 685	50 321	364	99,28	43 618	51 729
Current	47 082	-	47 082	48 124	(1 042)	102,21	40 417	50 709
Capital	3 603	-	3 603	2 197	1 406	60,98	3 201	1 020
Total	71 692	-	71 692	69 208	2 484	96,54	57 919	67 292

Economic classification	2003/04						2002/03	
	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	65 806	-	65 806	65 933	(127)	100,19	54 718	66 272
Personnel	41 803	-	41 803	38 908	2 895	93,07	29 618	29 696
Transfer payments	1	-	1	-	1	0,00	-	-
Other	24 002	-	24 002	27 025	(3 023)	112,59	25 100	36 576
Capital	5 886	-	5 886	3 275	2 611	55,64	3 201	1 020
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	5 886	-	5 886	3 275	2 611	55,64	3 201	1 020
Total	71 692	-	71 692	69 208	2 484	96,54	57 919	67 292

Standard item classification	2003/04						2002/03	
	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	41 803	-	41 803	38 908	2 895	93,07	29 618	29 696
Administration	12 485	-	12 485	10 866	1 619	87,03	11 242	15 067
Inventories	1 768	-	1 768	1 247	521	70,53	1 371	1 322
Equipment	6 089	-	6 089	3 658	2 431	60,08	6 767	3 174
Land and buildings	200	-	200	189	11	94,50	302	271
Professional and special services	9 337	-	9 337	12 136	(2 799)	129,98	8 618	15 363
Transfer payments	1	-	1	-	1	0,00	1	-
Miscellaneous	9	-	9	5	4	55,56	-	2
Special functions	-	-	-	2 199	(2 199)	-	-	2 397
Total	71 692	-	71 692	69 208	2 484	96,54	57 919	67 292

Detail per Programme 2 for the year ended 31 March 2004

Economic & Social Statistics

Programme per subprogramme	2003/04						2002/03	
	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
Industry & Trade Statistics	15 529	-	15 529	15 258	271	98,25	9 297	8 942
Current	14 092	-	14 092	14 175	(83)	100,59	9 297	8 942
Capital	1 437	-	1 437	1 083	354	75,37	-	-
Employment & Price Statistics	20 342	-	20 342	20 346	(4)	100,02	11 457	10 797
Current	19 192	-	19 192	18 856	336	98,25	11 457	10 797
Capital	1 150	-	1 150	1 490	(340)	129,57	-	-
Financial Statistics	10 607	-	10 607	9 291	1 316	87,59	8 803	8 446
Current	10 187	-	10 187	9 092	1 095	89,25	8 803	8 446
Capital	420	-	420	199	221	47,38	-	-
Social Statistics	28 536	-	28 536	28 405	131	99,54	23 473	25 121
Current	28 242	-	28 242	28 268	(26)	100,09	23 473	25 121
Capital	294	-	294	137	157	46,60	-	-
Total	75 014	-	75 014	73 300	1 714	97,72	53 030	53 306

Economic classification	2003/04						2002/03	
	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	71 713	-	71 713	70 391	1 322	98,16	53 030	53 306
Personnel	35 832	-	35 832	37 533	(1 701)	104,75	31 311	29 881
Transfer payments	-	-	-	-	-	-	-	-
Other	35 881	-	35 881	32 858	3 023	91,57	21 719	23 425
Capital	3 301	-	3 301	2 909	392	88,12	-	-
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	3 301	-	3 301	2 909	392	88,12	-	-
Total	75 014	-	75 014	73 300	1 714	97,72	53 030	53 306

Standard item classification	2003/04						2002/03	
	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	35 832	-	35 832	37 533	(1 701)	104,75	31 311	29 881
Administration	19 652	-	19 652	16 198	3 454	82,42	11 323	11 968
Inventories	3 329	-	3 329	1 745	1 584	52,42	1 363	2 249
Equipment	3 389	-	3 389	3 347	42	98,76	-	10
Land and buildings	-	-	-	3	(3)	-	-	-
Professional and special services	12 812	-	12 812	14 469	(1 657)	112,93	9 033	9 198
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	5	(5)	-	-	-
Special functions	-	-	-	-	-	-	-	-
Total	75 014	-	75 014	73 300	1 714	97,72	53 030	53 306

Detail per Programme 3 for the year ended 31 March 2004

Population Census & Statistics

Programme per subprogramme	2003/04						2002/03	
	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
Census Content, Development, Research & Output	5 789	-	5 789	5 352	437	92,45	1 736	5 105
Current	5 622	-	5 622	5 349	273	95,14	1 696	3 224
Capital	167	-	167	3	164	1,80	40	1 881
Census Operations	14 945	-	14 945	16 029	(1 084)	107,25	128 290	126 739
Current	14 574	-	14 574	15 773	(1 199)	108,23	115 110	122 931
Capital	371	-	371	256	115	69,00	13 180	3 808
Census Programme Office	3 771	-	3 771	2 584	1 187	68,52	16 508	14 783
Current	3 623	-	3 623	2 475	1 148	68,31	16 508	14 666
Capital	148	-	148	109	39	73,65	-	117
Demographic Analysis	3 483	-	3 483	2 224	1 259	63,85	786	1 274
Current	3 364	-	3 364	2 151	1 213	63,94	786	1 274
Capital	119	-	119	73	46	61,34	-	-
Health & Vital Statistics	6 076	-	6 076	5 904	172	97,17	12 665	10 297
Current	5 634	-	5 634	5 828	(194)	103,44	12 665	10 257
Capital	442	-	442	76	366	17,19	-	40
Total	34 064	-	34 064	32 093	1 971	94,21	159 985	158 198

Economic classification	2003/04						2002/03	
	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	32 817	-	32 817	31 576	1 241	96,22	146 765	152 352
Personnel	17 598	-	17 598	17 185	413	97,65	47 875	51 178
Transfer payments	-	-	-	-	-	-	-	-
Other	15 219	-	15 219	14 391	828	94,56	98 890	101 174
Capital	1 247	-	1 247	517	730	41,46	13 220	5 846
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	1 247	-	1 247	517	730	41,46	13 220	5 846
Total	34 064	-	34 064	32 093	1 971	94,21	159 985	158 198

Standard item classification	2003/04						2002/03	
	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	17 598	-	17 598	17 185	413	97,65	47 875	51 178
Administrative	7 119	-	7 119	5 735	1 384	80,56	11 413	11 181
Inventories	1 200	-	1 200	1 628	(428)	135,67	44 498	42 874
Equipment	1 537	-	1 537	2 417	(880)	157,25	14 530	8 293
Land and buildings	117	-	117	1	116	0,85	89	277
Professional and special services	6 230	-	6 230	5 127	1 103	82,30	39 894	44 391
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	263	-	263	-	263	0,00	1 686	4
Special functions	-	-	-	-	-	-	-	-
Total	34 064	-	34 064	32 093	1 971	94,21	159 985	158 198

Detail per Programme 4 for the year ended 31 March 2004

Statistical Methodology & Integration

Programme per subprogramme	2003/04						2002/03	
	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
Quality & Methodology	6 525	-	6 525	5 468	1 057	83,80	2 334	2 809
Current	6 196	-	6 196	5 113	1 083	82,52	2 334	2 809
Capital	329	-	329	355	(26)	107,90	-	-
Integrative Analysis	2 968	-	2 968	2 910	58	98,05	2 095	2 200
Current	2 882	-	2 882	2 820	62	97,85	2 095	2 200
Capital	86	-	86	90	(4)	104,65	-	-
National Accounts	5 801	-	5 801	5 228	573	90,12	3 350	4 091
Current	5 471	-	5 471	4 889	582	89,36	3 350	4 091
Capital	330	-	330	339	(9)	102,73	-	-
Statistical Capacity Building	6 333	-	6 333	4 358	1 975	68,81	3 604	4 096
Current	6 043	-	6 043	3 818	2 225	63,18	3 604	4 096
Capital	290	-	290	540	(250)	186,21	-	-
Total	21 627	-	21 627	17 964	3 663	83,06	11 383	13 196

Economic classification	2003/04						2002/03	
	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	20 592	-	20 592	16 640	3 952	80,81	11 383	13 196
Personnel	13 521	-	13 521	13 124	397	97,06	8 575	9 729
Transfer payments	-	-	-	-	-	-	-	-
Other	7 071	-	7 071	3 516	3 555	49,72	2 808	3 467
Capital	1 035	-	1 035	1 324	(289)	127,92	-	-
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	1 035	-	1 035	1 324	(289)	127,92	-	-
Total	21 627	-	21 627	17 964	3 663	83,06	11 383	13 196

Standard item classification	2003/04						2002/03	
	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	13 521	-	13 521	13 124	397	97,06	8 575	9 729
Administrative	5 328	-	5 328	2 202	3 126	41,33	2 579	3 079
Inventories	374	-	374	435	(61)	116,31	196	187
Equipment	1 790	-	1 790	1 564	226	87,37	9	4
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	614	-	614	639	(25)	104,07	24	197
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Special functions	-	-	-	-	-	-	-	-
Total	21 627	-	21 627	17 964	3 663	83,06	11 383	13 196

Detail per Programme 5 for the year ended 31 March 2004

Statistical Support and Informatics

Programme per subprogramme	2003/04						2002/03	
	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
Geographical Support	10 250	-	10 250	6 589	3 661	64,28	18 866	11 206
Current	9 098	-	9 098	6 469	2 629	71,10	2 866	2 696
Capital	1 152	-	1 152	120	1 032	10,42	16 000	8 510
System of Registers	7 530	-	7 530	6 570	960	87,25	4 801	4 927
Current	7 058	-	7 058	6 174	884	87,48	4 801	4 927
Capital	472	-	472	396	76	83,90	-	-
System Support	20 763	-	20 763	26 492	(5 729)	127,59	22 067	17 529
Current	11 518	-	11 518	20 569	(9 051)	178,58	15 943	13 867
Capital	9 245	-	9 245	5 923	3 322	64,07	6 124	3 662
Statistical Support & Informatics	11 574	-	11 574	10 834	740	93,61	7 307	7 608
Current	10 165	-	10 165	10 683	(518)	105,10	7 307	7 608
Capital	1 409	-	1 409	151	1 258	10,72	-	-
Provincial Co-ordination	41 370	-	41 370	37 885	3 485	91,58	24 876	25 978
Current	39 732	-	39 732	37 665	2 067	94,80	24 876	25 978
Capital	1 638	-	1 638	220	1 418	13,43	-	-
Total	91 487	-	91 487	88 370	3 117	96,59	77 917	67 248

Economic classification	2003/04						2002/03	
	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	77 571	-	77 571	81 560	(3 989)	105,14	55 793	55 076
Personnel	51 017	-	51 017	48 355	2 662	94,78	35 917	37 575
Transfer payments	-	-	-	-	-	-	-	-
Other	26 554	-	26 554	33 205	(6 651)	125,05	19 876	17 501
Capital	13 916	-	13 916	6 810	7 106	48,94	22 124	12 172
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	13 916	-	13 916	6 810	7 106	48,94	22 124	12 172
Total	91 487	-	91 487	88 370	3 117	96,59	77 917	67 248

Standard item classification	2003/04						2002/03	
	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	51 017	-	51 017	48 355	2 662	94,78	35 917	37 575
Administrative	13 226	-	13 226	15 133	(1 907)	114,42	6 491	5 369
Inventories	2 308	-	2 308	1 152	1 156	49,91	1 628	1 478
Equipment	18 405	-	18 405	18 342	63	99,66	24 384	16 410
Land and buildings	134	-	134	98	36	73,13	29	117
Professional and special services	6 397	-	6 397	5 284	1 113	82,60	9 468	6 299
Transfer payments	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	6	(6)	-	-	-
Special functions	-	-	-	-	-	-	-	-
Total	91 487	-	91 487	88 370	3 117	96,59	77 917	67 248

Notes to the appropriation statement

for the year ended 31 March 2004

1. Details of current and capital transfers as per Appropriation Act (after virement)

Details of these transactions can be viewed in note 10 (Transfer payments) and Annexure 1 to the annual financial statements.

2. Details of specifically and exclusively appropriated amounts voted (after virement)

Details of these transactions can be viewed in note 1 (Annual appropriation) to the annual financial statements.

3. Details of special functions (thefts and losses)

Details of these transactions per programme can be viewed in note 12.5 (Details of special functions thefts and losses) to the annual financial statements.

4. Explanations of material variances from amounts voted (after virement)

4.1 Per programme

Administration: Although funds were saved under personnel expenditure, because of late or non-appointment of staff (including the Deputy Director-General), this was cancelled out by the write-offs and over-expenditure on Professional and Special Services (audit fees & SITA costs). Overall saving on capital was mainly due to delays in the tender process for the Asset Management system.

Economic & Social Statistics: Over-expenditure on remuneration of staff appointed for the Agricultural Census (a recoverable/user-pay survey) was paid from appropriated funds as the available budget was exceeded. Savings on other current expenditure were mainly on GG transport, as invoices from the Department of Transport were received late and transport costs incurred on social surveys are therefore not reflected.

Population Census & Vital Statistics: Main savings under capital expenditure for the same reason as stipulated for Administration above.

Statistical Methodology & Integration: Provision for bursaries for foreign studies not expended.

Statistical Support and Informatics: Saving on personnel due to late or non-appointment of staff, especially in provinces. Delays in the tendering process for the storage area network resulted in large savings on capital expenditure. Software licences and SITA costs (Internet, WAN, etc.) much more than anticipated, hence over-expenditure in other current classifications.

4.2 Per standard item

Personnel: Late or non-appointment of personnel

Administrative: Underexpenditure was mainly as a result of delays in the invoicing of expenditure related to surveys, of which R1,2 million was posted in the 2004/05 financial year due to system errors. Provision for payment of bursaries for foreign studies not spent.

Inventories: Stock available in store purchased in previous financial year resulted in less expenditure on stock items in 2003/04.

Equipment: This item is divided into current and capital. The former was overspent and the latter underspent. Underspensing was due to tighter control and delays in the purchase of the SAN and Asset Management System.

Professional & Special Services: Consultants for Census 2001 submitted invoices in this year, which was not provided for, audit fees were higher than anticipated and SITA costs are becoming more and more expensive.

Income statement

for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
Revenue			
Voted funds		293 884	360 234
Annual appropriation	1	293 884	360 234
Non-voted funds		25 970	10 822
Other revenue to be surrendered to the revenue fund	2	2 636	1 287
Local and foreign aid assistance (including RDP funds)	3.1	13	3 758
Contract work	3.2	23 321	5 777
Total revenue		319 854	371 056
Expenditure			
Current		288 815	372 707
Personnel	4	155 104	158 058
Administrative		50 135	46 665
Inventories	5.1	6 207	48 111
Machinery and equipment	6	15 295	9 027
Land and buildings	7	291	665
Professional and special services	8.1	36 852	75 273
Miscellaneous	9.1	16	6
Special functions: authorised losses	10	2 199	2 397
Local and foreign aid assistance (incl. RDP funds)	3.1	702	6 293
Contract work	3.2	22 014	26 212
Capital		14 836	19 038
Machinery and equipment	6	14 032	18 864
Professional and special services	8.2	804	174
Total expenditure		303 651	391 745
Net surplus/(deficit) for the year		16 203	(20 689)
Reconciliation of net surplus for the year			
Voted funds to be surrendered to the revenue fund	15	12 949	994
Other revenue to be surrendered to the revenue fund	2; 16	2 636	1 287
Local and foreign aid assistance (incl. RDP funds)	3.1	(689)	(2 535)
Contract work written back to income statement	3.2	1 307	(20 435)
Net surplus/(deficit) for the year		16 203	(20 689)

Balance sheet

at 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
Assets			
Current assets		179 605	167 207
Unauthorised, irregular and fruitless and wasteful expenditure	11	168 418	158 103
Cash and cash equivalents	12	105	105
Receivables	13	11 082	8 923
Revenue funds to be requested	16	-	76
Total assets		179 605	167 207
Liabilities			
Current liabilities		172 245	160 465
Voted funds to be surrendered to the Revenue Fund	14; 15	9 018	994
Other revenue funds to be surrendered to the Revenue Fund	16	398	
Bank overdraft	12; 17	144 344	159 136
Payables	18	18 485	335
Total liabilities		172 245	160 465
Net assets/liabilities		7 360	6 742
Represented by:			
Local and foreign aid assistance (including RDP funds)			
rolled over	3.1	818	1 507
Contract work	3.2	6 542	5 235
Total net assets/liabilities		7 360	6 742

Statement of changes in net assets

for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
Local and foreign aid assistance remaining (including RDP funds)			
Opening balance	3.1	1 507	4 042
Transfers	3.1	13	3 758
Transfer to/from other reserves	3.1	(702)	(6 293)
Closing balance		818	1 507
Contract work			
Opening balance	3.2	5 235	25 670
Received during the year	3.2	23 321	5 777
Transfers	3.2	(22 014)	(26 212)
Closing balance		6 542	5 235
Total equity		7 360	6 742

Cash flow statement

for the year ended 31 March 2004

	Note	2003/04 R'000	2002/03 R'000
Cash flows from operating activities		29 628	36 979
Net cash flow generated by operating activities	19	23 854	20 032
Cash generated/(utilised) to (increase)/decrease working capital	20	14 174	40 911
Voted funds and revenue funds surrendered	14	(9 018)	(994)
Local and foreign aid assistance (including RDP funds)	3.1	1 307	(20 435)
Contract work	3.2	(689)	(2 535)
Cash flows from investing activities		(14 836)	(19 038)
Capital expenditure		(14 836)	(19 038)
Net cash flows from operating and investing activities		14 792	17 941
Cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		14 792	17 941
Cash and cash equivalents at beginning of period		(159 031)	(176 972)
Cash and cash equivalents at end of period	12	(144 239)	(159 031)

Notes to the annual financial statements

for the year ended 31 March 2004

1. Annual appropriation

Including funds appropriated in terms of the Appropriation Act for National Departments (voted funds)

Programmes	Total appropriation 2003/04 R'000	Actual funds received 2003/04 R'000	Variance over (under) 2003/04 R'000	Total appropriation 2002/03 R'000
Administration	71 692	71 692	-	59 628
Economic & Social Statistics	75 014	75 014	-	53 851
Population Census & Vital Statistics	34 064	30 133	3 931	156 503
Quality & Integration	21 627	21 627	-	11 863
Statistical Support & Informatics	91 487	91 487	-	78 389
Total	293 884	289 953	3 931	360 234

The variance under Population Census and Vital Statistics is due to Census 2006 activities having been delayed until a final Cabinet decision had been made as to whether a census would in fact take place during 2006.

2. Other revenue to be surrendered to the Revenue Fund

	2003/04 R'000	2002/03 R'000
Cheques written back/ stale cheques	22	154
Parking	69	14
Departmental revenue	308	189
Interest income	9	-
Income capital	99	46
Previous financial year expenditure	487	626
Interest received (other)	-	114
Auction income	-	69
Commission on debit orders	71	66
Waste paper	3	9
Revenue	1 464	-
Interest on debts	92	-
Interest on bank accounts	12	-
Total	2 636	1 287

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

	2003/04 R'000	2002/03 R'000
Used motor vehicles from SIDA	-	414

3. Local and foreign aid assistance (including RDP funds) and contract work

3.1 Assistance received in cash

Donor and purpose	Opening balance R'000	Revenue R'000	Total funds available R'000	Expenditure		Closing balance R'000
				Current R'000	Capital R'000	
Foreign						
Switzerland – non-financial local government census	1 467	24	1 491	702		789
Switzerland – local government capacity building	24	(24)	-	-		-
OECD – Paris21	36	(36)	-	-		-
Sweden – various	(53)	82	29	-		29
Norway – time use survey and gender studies	33	(33)	-	-		-
	1 507	13	1 520	702	-	818

Analysis of balance

Amounts owing to donors

818

3.2 Contract work

	Opening balance R'000	Revenue R'000	Total funds available R'000	Expenditure		Closing balance R'000
				Current R'000	Capital R'000	
Department of Agriculture: Census of Agriculture	5 204	2 589	7 793	5 574		2 219
Interdepartmental Business Register	3	(3)	-	-		-
Department of Transport: National travel survey	28	19 432	19 460	15 386		4 074
Department of Transport: Trafman project	-	975	975	1 031		(56)
Causes of death	-	-	-	-		-
Joint Building Contractors Committee	-	328	328	23		305
	5 235	23 321	28 556	22 014	-	6 542

Analysis of balance

Amounts owing by the Department

(56)

Amounts owing to the Department

6 598

Balance remaining

6 542

4. Personnel

	2003/04 R'000	2002/03 R'000
Current expenditure		
Basic salary costs	128 483	133 011
Pension contributions	13 791	10 363
Medical aid contributions	5 474	4 548
Other salary-related costs	7 356	10 136
Total personnel costs	155 104	158 058
Average number of employees	1 123	1 887

5. Inventories – weighted average

	2003/04 R'000	2002/03 R'000
Current expenditure		
Inventories purchased during the year		
Inventories	6 207	48 111
Total cost of inventories	6 207	48 111

6. Machinery and equipment

	Note	2003/04 R'000	2002/03 R'000
Current (rentals, maintenance and sundry)		15 295	9 027
Capital	6.1	14 032	18 864
Total current and capital expenditure		29 327	27 891

6.1 Capital machinery and equipment

	2003/04 R'000	2002/03 R'000
Computer equipment	7 150	15 405
Furniture	65	1 322
Cellphone: purchases	30	67
Software and licences	5 806	2 070
Office equipment	863	-
Audio visual equipment	46	-
Security equipment	63	-
Accessories: electronic	9	-
	14 032	18 864

7. Land and buildings

	2003/04 R'000	2002/03 R'000
Current expenditure		
Rental	291	665
Total current expenditure	291	665

8. Professional and special services

	2003/04 R'000	2002/03 R'000
8.1 Current expenditure		
Auditors' remuneration	2 357	1 143
Regularity	2 053	-
Performance	21	-
Other audits	283	-
Contractors	36	200
Consultants and advisory services	11 175	35 479
Security services	2 331	4 467
Bureau costs	2 746	-
Computer services	5 231	8 024
Legal costs	28	-
Aerial photography	1	-
Survey expenditure (allowance)	10 166	16 624
Vehicle tracking	207	324
Media services	75	-
Cleaning services	1 112	-
Cellphone maintenance	50	-
Computer maintenance	92	-
Building maintenance	376	-
Furniture maintenance	7	-
Equipment maintenance	854	-
Motor vehicle maintenance	8	-
Repair services	-	8 546
Media and cleaning services	-	466
	36 852	75 273
8.2 Capital expenditure		
Repair services – building maintenance	804	174
	804	174
Total professional and special services	37 656	75 447

9. Miscellaneous

9.1 Current expenditure

	Note	2003/04 R'000	2002/03 R'000
Remissions, refunds and payments made as an act of grace	9.2	12	6
Gifts, donations and sponsorships	9.3	4	
		16	6

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

Nature of remissions, refunds and payments	2003/04 R'000	2002/03 R'000
Claims against the state – payment for employees' losses incurred whilst on official duty	12	6
	12	6

9.3 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)

Nature of gifts, donations and sponsorships	2003/04 R'000	2002/03 R'000
Books purchased	4	
	4	-

10. Special functions: authorised losses

	Note	2003/04 R'000	2002/03 R'000
Other material losses written off in Income Statement	10.1	1 295	2 045
Debts written off	10.2	190	37
Details of special functions (theft and losses)	10.3	714	315
		2 199	2 397

10.1 Other material losses written off in Income Statement

Nature of losses	2003/04 R'000	2002/03 R'000
Damages and losses emanating from censuses	-	2 045
Unaccounted-for cash (Census 2001)	1 295	-
	1 295	2 045

10.2 Debts written off

Nature of debt	2003/04 R'000	2002/03 R'000
Irrecoverable claims (insufficient documentation – FMS)	-	20
Deceased debtors and uneconomical debts	190	16
Irrecoverable amounts paid to defunct Medical Funds	-	1
	190	37

10.3 Details of special functions (theft and losses)

	2003/04 R'000	2002/03 R'000
Vehicle accidents	426	288
Supplier overpayments – claims could not be substantiated due to lack of supporting documents	-	27
Other	288	-
	714	315

11. Unauthorised, irregular and fruitless and wasteful expenditure disallowed

	Note	2003/04 R'000	2002/03 R'000
Unauthorised expenditure	11.2	158 072	158 072
Fruitless and wasteful expenditure	11.3	-	31
Irregular expenditure (exceeded the tender amount)	11.5	10 346	-
		168 418	158 103

11.1 Reconciliation of unauthorised expenditure balance

	2003/04 R'000	2002/03 R'000
Opening balance	158 072	158 072
Unauthorised expenditure current year	-	-
Approved by Parliament	-	-
Transfer to income statement – authorised losses	-	-
Transfer to receivables for recovery	-	-
Closing balance	158 072	158 072

11.2 Unauthorised expenditure

Incident	Disciplinary steps	2003/04 R'000	2002/03 R'000
Overexpenditure on Stats Council	Approved by Scopa – to be requested from Treasury	8	8
Overexpenditure on Stats Council	Approved by Scopa – to be requested from Treasury	13	13
Overexpenditure on Census '96	Awaiting recommendation	36 114	36 114
Overexpenditure on Census 2001	Awaiting recommendation	121 937	121 937
		158 072	158 072

11.3 Reconciliation of fruitless and wasteful expenditure

	2003/04 R'000	2002/03 R'000
Opening balance	31	-
Fruitless and wasteful current year	-	31
Transfer to income statement – authorised losses	(31)	-
Transfer to receivables for recovery	-	-
Closing balance	-	31

11.4 Fruitless and wasteful expenditure

Incident	2003/04 R'000	2002/03 R'000
Payment for notice of accommodation (official passed away while on duty)	-	2
Compensation for lost revenue – duplicate order	-	29
	-	31

11.5 Irregular expenditure

	Note	2003/04 R'000	2002/03 R'000
Irregular expenditure (exceeded the tender amount)	25.1	10 346	-
		10 346	-

12. Cash and cash equivalents

	Note	2003/04 R'000	2002/03 R'000
Cash with commercial banks		50	50
Paymaster general account	17	(144 344)	(159 136)
Cash on hand		55	55
		(144 239)	(159 031)

13. Receivables – current

	Note	2003/04 R'000	2002/03 R'000
Amounts owing by other departments	Annexure 3	33	2 985
Staff debtors	13.2	2 511	2 558
Other debtors	13.3	8 465	1 386
Advances	13.4	73	1 994
		11 082	8 923

13.1 Age analysis – receivables current

	2003/04 R'000	2002/03 R'000
Less than one year	8 498	6 889
One to two years	1 884	1 747
More than two years	700	268
Doubtful debts	-	19
	11 082	8 923

13.2 Staff debtors

	2003/04 R'000	2002/03 R'000
Tax debts	722	882
Other: Debt account	1 774	1 676
Debt suspense	15	-
	2 511	2 558

13.3 Other debtors

	2003/04 R'000	2002/03 R'000
Trade debtors – suppliers disallowance	-	614
Medical aids	576	8
First National Bank	-	5
First National Bank – QED deposit account	-	4
Claims recoverable	7 882	227
Theft & losses in suspense	-	528
Salary reversal control	7	-
	8 465	1 386

13.4 Advances

	2003/04 R'000	2002/03 R'000
S & T advances	73	35
Census cash floats	-	1 325
Business Address Register	-	1
Cash floats – projects	-	634
	73	1 995

14. Voted funds to be surrendered to the Revenue Fund

	2003/04 R'000	2002/03 R'000
Opening balance	994	-
Transfer from income statement	9 018	994
Paid during the year	(994)	
Closing balance	9 018	994

15. Analysis of balance – Transfer from Income Statement

	2003/04 R'000	2002/03 R'000
Voted funds drawn/requested	9 018	994
Voted funds not drawn/requested	3 931	-
	12 949	994

16. Other revenue funds to be surrendered to the Revenue Fund

	2003/04 R'000	2002/03 R'000
Opening balance	(76)	85
Transfer from income statement for revenue to be surrendered	2 636	1 287
Paid during the year	(2 162)	(1 448)
Closing balance	398	(76)

17. Bank overdraft

	2003/04 R'000	2002/03 R'000
Paymaster General Account (Exchequer account)	144 344	159 136

18. Payables – current

Description	Note	2003/04 R'000	2002/03 R'000
Amounts owing to other departments	Annexure 4	3 599	-
Advances received	18.1	-	-
Other payables	18.2	14 886	335
		18 485	335

18.1 Advances received

	2003/04 R'000	2002/03 R'000
Department of Health: Causes of death	-	-
	-	-

18.2 Other payables

	2003/04 R'000	2002/03 R'000
Receivable income	10 403	65
Receivable interest	225	128
Unallocated received	-	85
Cancelled cheques/EBT for re-issue	-	1
Payroll control account	-	57
Tax RSA	140	-
Census 2001 Tax Recalculations	4 049	-
Census 2001 Payroll control	63	-
GPSSBC, PSCBC levy, unpaid recall EBT control and PSCBC (Agency)	6	-
	14 886	336

19. Net cash flow generated by operating activities

	2003/04 R'000	2002/03 R'000
Net surplus/(deficit) as per income statement	16 203	(20 689)
Capital expenditure	14 836	19 038
Decrease/(increase) in revenue collected	(2 636)	(1 287)
Voted funds not requested / not received	(3 931)	-
Decrease/(increase) in contract work	(1 307)	22 970
Decrease/(increase) in foreign aid assistance	689	-
Net cash flow generated by operating activities	23 854	20 032

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

	2003/04 R'000	2002/03 R'000
(Increase)/decrease in receivables – current	(2 159)	49 780
(Increase)/decrease unauthorised expenditure	(10 315)	(31)
Increase/(decrease) in revenue to be requested	76	(76)
Increase/(decrease) in payables – current	18 150	(9 671)
Increase/(decrease) in other revenue funds to be surrendered	398	(85)
Increase/(decrease) in voted funds to be surrendered	8 024	994
	14 174	40 911

Disclosure notes to the annual financial statements

for the year ended 31 March 2004

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 7 of 2003.

21. Contingent liabilities

Liable to	Nature	Note	2003/04 R'000	2002/03 R'000
Motor vehicle guarantees	Employees	Annexure 1	204	197
Housing loan guarantees	Employees	Annexure 1	2 575	2 157
EAX Consortium	Services	21.1	22 794	22 794
P Fong	Consultant	21.2	369	-
			25 942	25 148

21.1 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.

21.2 P Fong – Consultant

Amount payable for services rendered

22. Commitments

	2003/04 R'000	2002/03 R'000
Current expenditure		
Approved and contracted/ordered	7 877	11 287
Approved but not yet contracted	-	-
	7 877	11 287
Capital expenditure		
Approved and contracted/ordered	1 404	46
Approved but not yet contracted	-	-
	1 404	46
Total commitments	9 281	11 333

23. Accruals

23.1 Accruals per standard item

	2003/04 R'000	2002/03 R'000
Administration	157	-
Inventory	82	-
Land and buildings	2	-
Equipment	27	-
Professional services	9	-
	277	-

23.2 Accruals per programme

	2003/04 R'000	2002/03 R'000
Administration	190	-
Economic and Social Statistics	24	-
Population Census and Vital Statistics	1	-
Quality and Integration	3	-
Statistical Support and Informatics	59	-
	277	-

24. Employee benefits

	2003/04 R'000	2002/03 R'000
Leave entitlement	1 311	7 784
Thirteenth cheque	8 138	5 167
Performance bonus	2 816	3 241
	12 265	16 192

25. Irregular expenditure

25.1 Movement schedule of irregular expenditure

	2003/04 R'000	2002/03 R'000
Opening balance	38 467	-
Irregular expenditure current year	-	-
Expenditure condoned	-	-
Expenditure not condoned	(10 346)	-
Expenditure awaiting condonation	-	38 467
	28 121	38 467
Analysis		
Current	-	27 752
Prior years	28 121	10 715
	28 121	38 467

25.2 Expenditure not condoned

	2003/04 R'000	2002/03 R'000
Tender amount exceeded	23 358	33 704
Personel expenditure	4 763	4 763
	28 121	38 467

Annexures to the annual financial statements

for the year ended 31 March 2004

Annexure 1: Statement of financial guarantees issued as at 31 March 2004

Domestic

Institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 01/04/2003 R'000	Guarantees issued during the year R'000	Guarantees released during the year R'000	Guaranteed interest outstanding as at 31/03/2004 R'000	Closing balance 31/03/2004 R'000	Realised losses i.r.o. claims paid out R'000
Absa Bank	Housing	840	699	97	0	0	796	0
Standard Bank	Housing	559	373	115	0	0	488	0
First National	Housing	281	113	0	0	0	113	0
Saambou	Housing	146	207	0	0	0	207	0
FBS Fidelity	Housing	95	58	0	0	0	58	0
Perm Bank	Housing	44	47	0	0	0	47	0
NBS	Housing	58	34	0	0	0	34	0
Old Mutual	Housing	57	82	206	0	0	288	0
Nedcor	Housing	891	444	0	0	0	444	0
Cash Bank	Housing	24	16	0	0	0	16	0
Future Bank	Housing	81	44	0	0	0	44	0
Bop Building	Housing	40	40	0	0	0	40	0
Stannic	Motor vehicle	204	197	204	197	0	204	0
		3 320	2 354	622	197	0	2 779	0

Annexure 2: Physical assets movement schedule (not including inventories)

Physical assets acquired during financial year 2003/04	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	18 654	14 032	-	-	-	32 686
Computer equipment	15 405	7 150	-	-	-	22 555
Furniture and office equipment	1 112	928	-	-	-	2 040
Other machinery and equipment	67	148	-	-	-	215
Computer software	2 070	5 806	-	-	-	7 876
	18 654	14 032	-	-	-	32 686

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	-	18 864	209	-	1	18 654
Computer equipment	-	15 405	-	-	-	15 405
Furniture and office equipment	-	1 322	209	-	1	1 112
Other machinery and equipment	-	67	-	-	-	67
Computer software	-	2 070	-	-	-	2 070
	-	18 864	209	-	1	18 654

Annexure 3: Inter-departmental receivables – current

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004 R'000	31/03/2003 R'000	31/03/2004 R'000	31/03/2003 R'000
Department of Social Development	-	-	12	-
Department of Social Development	-	-	12	-
Department of Foreign Affairs	-	-	9	-
Total	-	-	33	-

Annexure 4: Inter-departmental payables – current

Department	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2004 R'000	31/03/2003 R'000	31/03/2004 R'000	31/03/2003 R'000
Department of Agriculture	-	-	2 589	-
Department of Transport and Public Works	10	-	-	-
Department of Health	-	-	1 000	-
Total	10	-	3 589	-

Financial Statements of the Dissemination and Marketing Trading Account

Management report

for the year ended 31 March 2004

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

1. General review of the state of financial affairs

The Trading Account was implemented as from April 2000. The accounts were kept on an accrual basis. Its main purpose was to market and sell the publications of the Department, generating sufficient funds to cover the costs of marketing and dissemination.

Implementation of the Trading Account was mainly due to the vast array of publications that emanated from Census '96 and the need to increase awareness of these publications, as well as to disseminate them as widely as possible. However, the Department's pricing policy regarding its publications has since been revised with the acceptance that official statistics are a public good and that utilisation and ensuing benefits might have been restricted when prices were attached to products. Information is now provided free of charge as far as possible. It therefore became unnecessary to maintain the Trading Account, which consequently became dormant during the 2003/04 financial year. Trading was terminated as from June 2003.

The Trading Account generated trade income of R11 000 and R2 000 in interest on the bank account during the financial year. Expenditure consisted of R1 000 in respect of postal fees and R14 000 in respect of depreciation. An amount of R60 000 over-provided for audit fees during 2002/03 was added back in the 2003/04 financial year.

Sales consisted of departmental publications and electronic tables.

2. Tariff policy

The National Treasury approves tariffs for publications. Market-related prices were attached to goods from which income accrued to the Trading Account.

3. Accounting policy

Consumables and printed publications are reflected as inventory.

4. Corporate governance

Although the Trading Account traded as a separate entity, the Accounting Officer remained directly accountable and the activities of the account were subject to all the policies of the Department.

5. 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.

6. Approval

The Accounting Officer has approved the annual financial statements set out on pages 136 to 144.

A handwritten signature in black ink, appearing to read 'PJ Lehohla', is positioned above the printed name.

PJ Lehohla
Statistician-General (Accounting Officer)
31 May 2004



AUDITOR - GENERAL

Report of the Auditor-General

to Parliament on the Financial Statements of the Dissemination and Marketing Trading Entity
for the year ended 31 March 2004

1. Audit assignment

The financial statements as set out on pages 136 to 144, for the year ended 31 March 2004, 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. Audit opinion

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Dissemination and Marketing Trading Entity at 31 March 2004 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 (PFMA), 1999 (Act No. 1 of 1999).

4. Emphasis of matter

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

4.1 Discontinued operations

Although the annual financial statements reflect the operations for the period ending 31 March 2004, the institutions operations were discontinued on 30 June 2003 as set out in note 14 to the financial statements.

* As this page was inserted as a loose sheet without a number in the printed version of this report, it has now been given this number. The numbering of pages in the printed and the PDF version is thus the same, except for the addition of this page with its sub number.

5. Appreciation

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

JE Van Heerden
for Auditor-General

Pretoria
31 July 2004

* As this page was inserted as a loose sheet without a number in the printed version of this report, it has now been given this number. The numbering of pages in the printed and the PDF version is thus the same, except for the addition of this page with its sub number.

Balance sheet

at 31 March 2004

	Note	2003/2004 (R'000)	2002/2003 (R'000)
Assets			
Non-current assets		-	82
Property, plant & equipment	2	-	82
Current assets		-	2 705
Inventory	3	-	994
Accounts receivable	4	-	357
Cash resources	9	-	1 354
Total assets		-	2 787
Equity and liabilities			
Capital and reserves			
Accumulated profit		-	1 795
Current liabilities		-	992
Bank overdraft		-	-
Accounts payable	5	-	992
Total capital and liabilities		-	2 787

Income statement

for the year ended 31 March 2004

	Note	2003/2004 (R'000)	2002/2003 (R'000)
Revenue	6	44	506
Cost of consumables used	12	(33)	(93)
Gross profit		11	413
Other income		2	8
Total income		13	421
Operating expenses		45	(400)
Profit from operations		58	21
Interest & finance costs		-	-
Operating profit before taxation		58	21
Taxation		-	-
Net profit for the year		58	21

Statement of changes in equity

for the year ended 31 March 2004

	Capital (R'000)	Accumulated profit (R'000)	Total (R'000)
Balance at 01 April 2002	-	1 774	1 774
Net profit for the year	-	21	21
Balance at 31 March 2003	-	1 795	1 795
Net profit for the year	-	58	58
Transfer to Stats SA	-	(1 853)	(1 853)
Balance at 31 March 2004	-	-	-

Cash flow statement

for the year ended 31 March 2004

	Note	2003/2004 (R'000)	2002/2003 (R'000)
Cash flow from operating activities			
Net cash flow generated by operating activities	7	72	83
Cash generated/(utilised) to (increase)/decrease working capital	8	359	385
Cash utilised in operations		431	468
Interest received		-	-
Net cash utilised in operating activities		431	468
Cash flows from investing activities			
Property, plant and equipment transferred		68	(21)
Cash flows from financing activities			
Transfer of accumulated profit		(1 853)	-
Net cash increase/(decrease) in cash and cash equivalents		(1 354)	447
Cash and cash equivalents at beg. of year		1 354	907
Cash and cash equivalents at end of year		-	1 354

Notes to the annual financial statements

for the year ended 31 March 2004

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 & office equipment and furniture & 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:

Furniture & fittings	20% p.a
Office equipment	33,30% p.a
Computer equipment	33,30% p.a

1.2 Revenue

Revenue comprised proceeds from the sale of statistical data in printed publications and electronic tables. Revenue collected by the Trading Account was 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 the 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 - 1 April 2003	108	61	28	197
Disposals	(108)	(61)	(28)	(197)
31 March 2004	-	-	-	-
Accumulated depreciation				
Opening balance - 1 April 2003	74	24	17	115
Current depreciation	9	3	2	14
Disposals	(83)	(27)	(19)	(129)
Closing balance at 31 March 2004	-	-	-	-
Net book value at 31 March 2004	-	-	-	-

3. Inventory

	2003/04 R'000	2002/03 R'000
Finished goods: Publications	-	994
Consumables	-	-
	-	994

4. Receivables

	2003/04 R'000	2002/03 R'000
Customer control account	-	104
Cash advances to provinces	-	26
Stats SA debtors	-	169
Recoverable expenses claimed (Census at Schools)	-	58
	-	357

5. Accounts payable

	2003/04 R'000	2002/03 R'000
Stats SA creditors	-	356
Unallocated received	-	458
Stats SA creditors	-	118
Provision auditors' fees	-	60
	-	992

6. Revenue

	2003/04 R'000	2002/03 R'000
Provincial Community Profiles		
Supercross	-	8
Customise special request	-	1
Special request	10	108
Census reports	-	5
Supercross licence	-	5
Non-census reports	32	340
October Household Surveys Ascii	-	19
October Household Surveys		
Supercross	-	12
PC Axis	-	8
Income and Expenditure Survey	2	-
	44	506

7. Net cash flow generated by operating activities

	2003/04 R'000	2002/03 R'000
Net profit before taxation	58	21
Adjustment for:		
Depreciation	14	62
	72	83

8. Movements in working capital

	2003/04 R'000	2002/03 R'000
Decrease in accounts receivable	357	46
Increase/(decrease) in accounts payable	(992)	364
(Decrease)/ increase in inventory	994	(25)
	359	385

9. Cash and cash equivalents

	2003/04 R'000	2002/03 R'000
Cash resources	-	1 354
Bank overdraft	-	-
	-	1 354

10. Employee benefits

The employees rendered services for the Trading Account and Statistics SA. Provision for employee benefits were made by Statistics SA and included in their account.

11. Related party transactions

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

12. Cost of revenue

	2003/04 R'000	2002/03 R'000
Consumables purchased	-	118
Changes to inventories of finished goods	(33)	(25)
	<u>(33)</u>	<u>93</u>

13. Comparative figures

The comparative figures are in respect of a full year's operations.

14. Discontinued operations

During the year the Trading Account ceased operations. All assets and liabilities were transferred to Statistics South Africa. The income statement reflects trading up to 30 June 2003.

Detailed income statement

for the year ended 31 March 2004

	Note	2003/2004 (R'000)	2002/2003 (R'000)
Revenue	6	44	506
Cost of revenue	12	(33)	(93)
Gross profit		11	413
Interest income		2	8
Total income		13	421
Expenditure		(45)	400
Bank charges		1	8
Postal		-	1
Auditors fees		(60)	16
Current year		-	60
Prior year overprovision		(60)	(44)
Professional services - repairs		-	-
Courier services		-	5
Depreciation		14	62
Motor vehicle expenses		-	15
Printing & stationery		-	5
Personnel expenses		-	276
Current year		-	278
Adjustment		-	(2)
Telephone services		-	4
Cellphones		-	8
Net profit for the period		58	21

Schedule of expenditure

for the year ended 31 March 2004

	2003/2004 (R000)	2002/2003 (R000)
Bank charges	1	8
Postal	-	1
Auditors fees	(60)	16
Current year	-	60
Prior year overprovision	(60)	(44)
Profesional Services-Repairs	-	-
Courier Services	-	5
Depreciation	14	62
Motor Vehicle Expences	-	15
Printing & stationery	-	5
Personnel Expenses	-	276
Current year	-	278
Adjustment	-	(2)
Telephone Services	-	4
CellPhones	-	8
Expenditure	(45)	400

List of abbreviations

ABSA	Advisory Board for Statistics in Africa
AU	African Union
CARS	Classifications and Related Systems
CPI	Consumer price index
CPIX	Consumer price index excluding the interest rate on mortgage
CSI	Committee for Spatial Information
CSS	Central Statistical Service
DHA	Department of Home Affairs
DIF	Development Index Framework
DMID	Data Management and Information Delivery
DNFs	Death notification forms
EAS	Economic Activity Survey
EASTC	East African Statistical Training Centre
EBT	Electronic bank transfer
EAP	Employee Assistance Programme
ETD	Education Training and Development
Fosad	Forum of South African Directors-General
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GHS	General household survey
GIS	Geographical information system
GPSSBC	General Public Service Sector Bargaining Council
IAOS	International Association of Official Statistics
ICD 10	International Classification of Diseases
ICP-Africa	International Comparison Programme for Africa
IES	Income and expenditure survey
ILO	International Labour Organisation
ISAE	Institute of Statistics and Applied Economics
ISI	International Statistics Institute
ISO	International Standards Organisation
LFS	Labour force survey
MDGs	Millennium Development Goals
MIS	Management Information System
MSSI	Management system for statistical information
NDOT	National Department of Transport
Nepad	New Partnership for Africa's Development
NQF	National Qualifications Framework
NSIF	National Spatial Information Framework
NSS	National Statistics System
OECD	Organisation for Economic Cooperation and Development
PARIS21	Partnership in Statistics for Development in the 21 st Century
PES	Post-enumeration survey
PFMA	Public Finance Management Act
PPI	Production price index
PRSPs	Poverty Reduction Strategy Papers
PSCBC	Public Service Coordinating Bargaining Council
QFS	Quarterly financial survey
RDP	Reconstruction and Development Programme
SADC	Southern African Development Community

SAQA	South African Qualifications Authority
SARS	South African Revenue Service
Scopa	Standing Committee on Public Accounts
SDDS	Special Data Dissemination Standards
SEE	Survey of Employment and Earnings
SGLD	Second Generation Live Database
SIDA	Swedish International Development Cooperation Agency
SNA	System of National Accounts
TBVC	Transkei, Bophuthatswana, Venda and Ciskei
TFSCB	Trust Fund for Statistical Capacity Building
UN	United Nations
UNFPA	United Nations Population Fund
VAT	Value added tax
VCT	Voluntary counselling and testing
WTO	World Tourism Organisation