

Statistics South Africa
Annual report 2004/05

Information can change lives



**Statistics
South Africa**

Statistics South Africa • Private Bag X44 • Pretoria 0001 • South Africa
170 Andries Street • Pretoria 0002

User information services: (012) 310 8600 • Fax: (012) 310 8500

Main switchboard: (012) 310 8911 • Fax: (012) 321 7381

Website: www.statssa.gov.za • Email: info@statssa.gov.za

Statistics South Africa Annual report 2004/05

Published by Statistics South Africa
Private Bag X44
Pretoria
0001

ISBN 0-621-36085-6

RP 166/2005

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Section 1

GENERAL INFORMATION

Submission of the report to the executing authority



Minister TA Manuel

I have the honour to submit the 2004/2005 annual report of Statistics South Africa in terms of the Public Finance Management Act (No. 1 of 1999).

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

PJ Lehohla
Statistician-General

Introduction by the Statistician-General



Information can change lives, and statistical information tells us how lives have changed, where they have changed and what change is still needed. In order to provide this information, statistics must also change.

Over the past ten years the arena of official statistics has experienced a period of rapid change. The changes have impacted on the actual statistical information produced, the means of producing it, as well as on the resources (human, technological and financial) required to produce them. Emerging from this period of change, official statistics are now entering a period of stabilisation and standardisation. The emphasis of this period will be on improving quality, bedding down new methodologies and stabilising governance processes relating to large projects.

The details of this year's annual report illustrate the progress made in achieving our strategic objectives as an organisation. To this end, the emphasis of the report is on the strategic overview, rather than on the performance of individual programmes. This highlights the integrated nature of the department which aims to operate in a horizontal fashion, rather than in vertical silos.

Economic statistics

We started during 1996 with a review of economic statistics activities and development of a new economic statistics strategy. In 1998, we amended the law so that we could have access to the tax register.

We now have introduced:

- A high quality business register to drive all collections from businesses;
- A coherent set of outputs – current indicators and detailed pictures of the economy's performance;
- New collections and re-engineering of existing collections, with methodologies in line with best practice in leading national statistics agencies; and
- National accounts compilations using results from all new and re-engineered collections.

Over the next few years we will introduce a new method of collecting retail prices for the CPI and will improve the coverage of our economic statistics to include more activity in the services sector.

Population and social statistics

In 1995 there were no social statistics but a census that counted only a fraction of the population. Ten years later, we now have instruments such as the annual general household survey and the six monthly labour force survey that address social concerns, with better geographic coverage of 30 000 households. We have conducted difficult but successful censuses in 1996 and 2001. Planning has started for a Community Survey, which will provide social and demographic information at municipal level. This will add to our knowledge of trends in the society.

A significant achievement of the past year was the elimination of the backlog on processing information on the causes of death, which went back seven years. We will now release the results annually. Improvements are under discussions with the Departments of Home Affairs and Health to automate collection systems to ease management of documents and improve the quality of these statistics.

The household-based information is now complemented by a municipal service delivery census which examines the supply of services from each local authority.

Statistics on dynamics in the labour market will be the focus of methodological improvements, with additional emphasis on the compilation of poverty information.

Enhancing statistical infrastructure

In 1995 Stats SA's technological and collection infrastructure was basic and fragmented. Keeping pace with technological developments is not simple, and decisions must be made about the timing and appropriateness of new innovations. During the year a storage area network (SAN) was introduced which will ensure adequate storage and management of electronic information for some years to come. This is to be followed by a disaster recovery system, a key safeguard for the country's official data holdings.

The infrastructure for data collection is being enhanced through the establishment of regional offices in each district municipality. This will facilitate the utilisation of local knowledge to improve the quality of data gathering.

Staff complement and improvements

From no focused training in statistics during 1995/96, we have introduced a foreign study programme in official statistics which has continued, with 40 members of staff graduating from these foreign institutions. Stats SA took in 15 interns this year and these are seen as the backbone of our future professional cohort. Internal methodology training continues including the use of software such as the industry standard of Statistical Analysis Software (SAS).

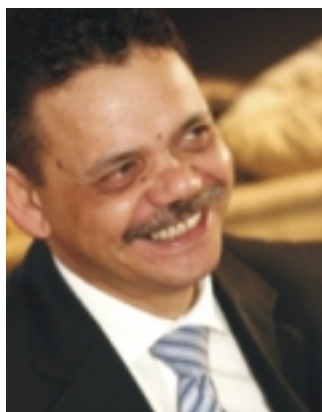
At management level we have recognised that the production of statistics, like all social endeavours, cannot succeed outside the process of transformation. In that regard our racial composition at senior management level has changed rapidly and will continue to do so in the future. From one black manager out of the seven in 1996, we managed to have six out of 19 by 2001 and by the end of 2004 we had 48 out of 94. By 2010 we are projecting to have 82 black staff members occupying management positions out of the prospective total of 112.

Conclusion

One indicator of change in the agency is the improvement in our audit report, with no qualification after three years of problems. The governance systems underpin the statistical systems, which I am confident, will continuously improve their ability to change lives.

Pali Lehohla

Foreword by the chairperson of the Statistics Council



A new Statistics Council was inaugurated on 24 June 2005, well after the end of the period covered by this annual report. I was not a member of the previous council and can therefore not comment with any special knowledge on the activities of the agency over the past year. In some way this places me at an advantage, to reflect on this document in the same way most other readers would – with an open mind.

It is evident that Stats SA is making great strides in its quest to be the preferred supplier of quality statistics, as its new vision boasts. While the organisation has set itself an ambitious programme to ensure the quality of its data, it is clear from this report that achievements are being made in several areas. Key economic indicators such as the GDP have been the focus of a concerted improvement process starting with increasing the samples of the surveys which input into the index, to a re-benchmarking of the GDP itself. The CPI, which is the other key economic indicator, is in the process of a dramatic methodological change. The move to collecting prices directly from retail outlets will ensure that the index reflects changes in actual prices paid by consumers. These improvements are complex and costly, but absolutely necessary for high quality official statistics. Stats SA is showing that it has the ability to execute these large projects.

Another large project that is looming in the near future is the Community Survey, a large survey designed to provide municipal level information about demographic and social trends. This follows on Cabinet's decision not to hold a census in 2006. The term of office of the previous council ended before agreement could be reached on the specifications of the community survey. This delay has caused some difficulty for Stats SA in planning the survey. One of the first tasks of the new council will be to provide the necessary support to Stats SA on this matter.

I would like to thank the Minister of Finance for entrusting me with the responsibility to lead the Statistics Council for the next three years. My guide in executing this task will be the Statistics Act which elegantly outlines the functions and responsibilities of the Council. I look forward to a productive working relationship with the Minister and the Statistician-General.

Howard Gabriels

Vision of Statistics South Africa

The vision and mission of Statistics South Africa (Stats SA) were revised during the year. The revision was the result of a strategic refocusing process.

The vision for the period under review was:

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.

In October 2004, Stats SA adopted a new vision, which is:

To be the preferred supplier of quality statistics.

Mission of Statistics South Africa

The mission for the period under review was:

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

The revised mission of Stats SA is:

To provide a relevant and accurate body of statistics to inform users on the dynamics in the economy and society through the application of internationally acclaimed practices.

Legislative mandate

Stats SA is a national government department accountable to the Minister of Finance. The activities of the department are regulated by the Statistics Act (No. 6 of 1999), which ensures independence from political interference in the production and dissemination of official statistics.

The Statistics Act provides for the appointment of a Statistician-General, who is the head of Statistics South Africa, and the South African Statistics Council, which advises the Minister and the Statistician-General.

In the Statistics Act, the role of the department is defined as assisting organs of state, businesses, other organisations and the general public in planning, decision-making, and monitoring or assessment of policies.

Further, Stats SA's mandate is to:

- Promote coordination among statistical producers in South Africa in order to advance the quality, consistency, comparability and optimum use of official statistics and thereby avoid unnecessary duplication;
- Provide statistical advice to government departments; and
- Liaise with the statistical agencies of other countries, and other international agencies.

Our core values are the key to achieving high performance levels and are based on *Batho Pele* principles. We are striving towards creating an organisation that will foster the following ethos:

- Respect and integrity
- Accountability
- Transparency
- Empowerment
- Service excellence

The Statistician-General

The Statistics Act makes provision for: a Statistician-General as head of Statistics South Africa, who is responsible for the collection, production and dissemination of official and other statistics, including the conducting of a census of the population; for coordination among producers of statistics; and for the establishment of a Statistics Council.

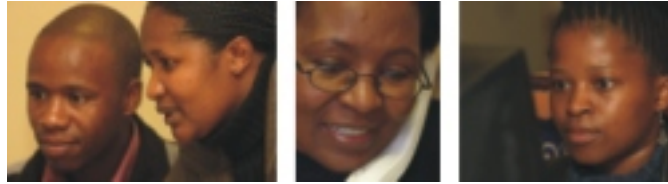
More specifically, the Statistician-General:

- Guides, directs and manages Stats SA;
- Is the accounting officer for Stats SA;
- Makes recommendations to the Minister on the policies and priorities of the organisation;
- Determines and exercises final responsibility regarding the implementation of the work programme, which includes the time, manner, form, extent and development of the statistical process;
- May designate statistics produced by Stats SA or other organs of state as official [statistics];
- Provides statistical advice to other government departments;
- Liaises with other countries and their statistical agencies and represents Stats SA internationally with regard to statistical matters; and
- Seeks to ensure public awareness of statistical collections and activities.

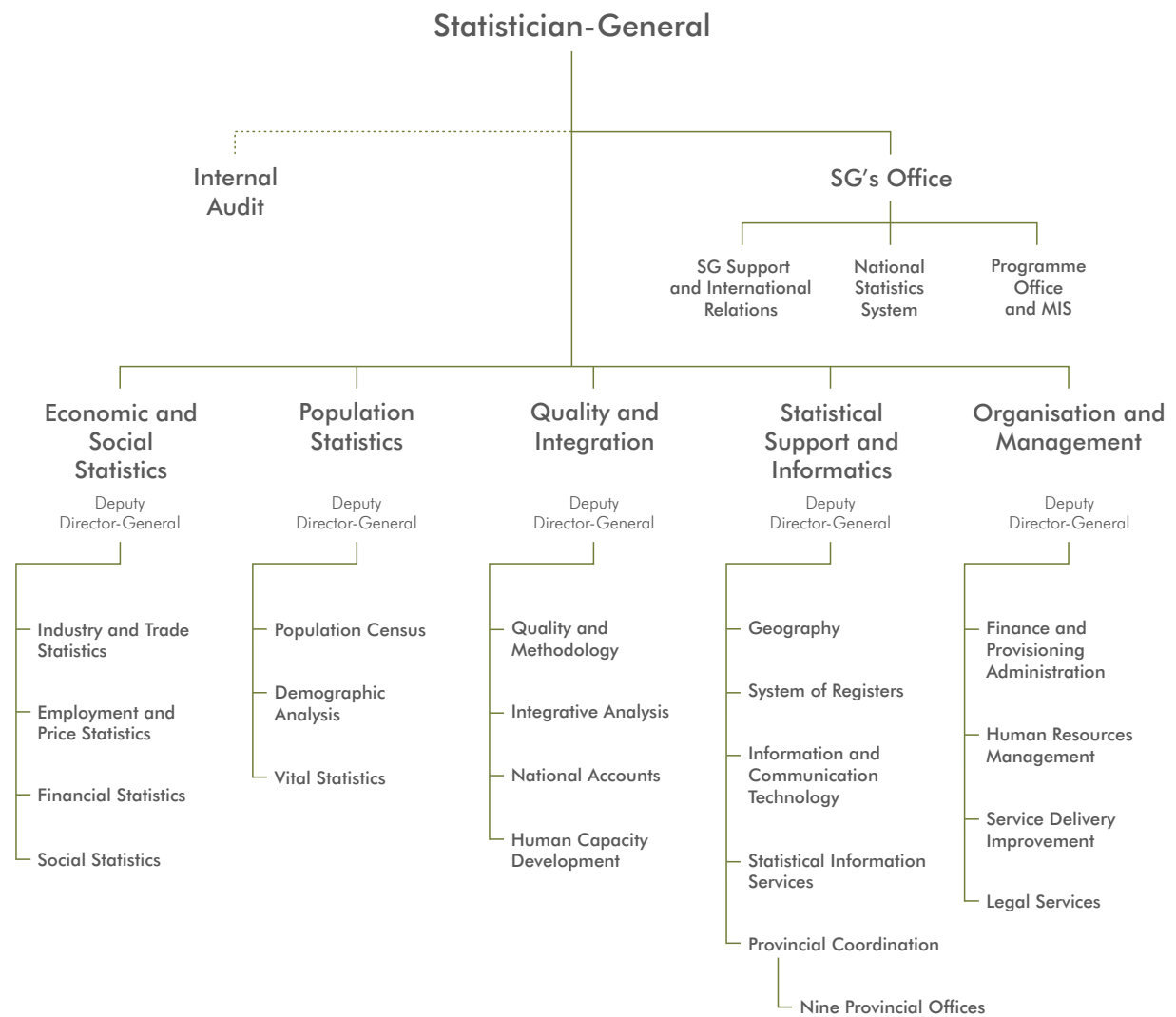
The South African Statistics Council

Section C of the Statistics Act makes provision for a Statistics Council consisting of between 15 and 25 members, whose appointment has to be approved by Cabinet. These members include one representative from each province, and nominated members from organs of state, organised business and labour, the statistics community, researchers and the general public. The role of the Statistics Council can be described as follows:

- (a) It advises the Minister, the Statistician-General and other organs of state on statistical matters with regard to:
 - the collection, processing, analysis, documentation, storage and dissemination of statistics, including the undertaking of a population census; and
 - the elimination of unnecessary overlapping or duplication of activities.
- (b) It promotes and safeguards official statistics and the coordination of statistical activities.
- (c) It furnishes the Minister and the Statistician-General with an annual report which should be tabled in Parliament.
- (d) It issues public statements on any matter relating to its functions in terms of the Act, but only after consultation with the organ of state, business or organisation involved.



The organisational structure





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1. Dr R Hirschowitz

Deputy Director-General: Quality and Integration

2. Dr L Gavin

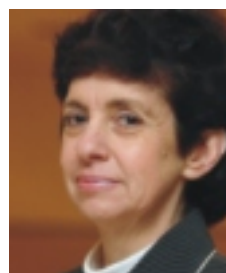
Deputy Director-General: Statistical Support and Informatics



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1. Mr R Maluleke

Executive Manager: Office of the Statistician-General

2. Prof A Kahimbaara

Executive Manager: National Statistics System

3. Ms A Myburgh

Executive Manager: Programme Office and Management Information Systems

4. Ms R Pietersen

Acting Executive Manager: Industry and Trade Statistics

5. Mr H Thema

Acting Executive Manager: Employment and Price Statistics

6. Mr D Booysen

Project Manager: Income and Expenditure Survey

7. Dr P Naidoo

Executive Manager: Financial Statistics

8. Dr J Kekovole

Executive Manager: Census 2011

9. Mr C Molongoana

Project Manager: Community Survey

10. Dr H Phillips

Executive Manager: Demographic Analysis

11. Ms N Chobokoane

Acting Manager: Health and Vital Statistics

12. Ms Y Mpetsheni

Executive Manager: Social Statistics



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13. Dr J Arrow
Executive Manager: Quality and Methodology

14. Mr J de Beer
Executive Manager: National Accounts

15. Dr M Nthangeni
Executive Manager: Human Capacity Development

16. Ms S Laldaparsad
Executive Manager: Geography

17. Mr S Molefe
Executive Manager: Information and Communication Technology

18. Mr A Jenneker
Project Manager: Data Management and Information Delivery

19. Mr M Phirwa
Executive Manager: Statistical Information Services

20. Mr A Fanoë
Chief Financial Officer

21. Mr P Dhlamini
Executive Manager: Human Resources Management

22. Mr P Kelly
Executive Manager: Service Delivery Improvement

23. Mr N du Plessis
Executive Manager: Internal Audit

Section 2

ORGANISATIONAL PERFORMANCE

Voted funds

Appropriation	Main appropriation	Adjusted appropriation	Actual expenditure	Under expenditure
Vote 13	R503 882 000	R500 190 000	R349 117 000	R151 073 000

Responsible minister: Mr TA Manuel
 Administering department: Statistics South Africa
 Accounting officer: Mr PJ Lehohla

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.

2.1 Key objectives and programmes

2.1.1 Strategic themes

Stats SA had seven strategic themes during the year each of which comprised several sub-objectives. These themes are:

- Enhancing the quality of products and services
- Developing human capacity
- Enhancing statistical integration through geography and registers
- Transformation
- Refocusing statistical information in line with user requirements
- The National Statistics System
- Improving governance.

2.1.2 Programmes

The work of Stats SA is carried out through five programmes, namely:

- Economic and Social Statistics
- Population Statistics
- Quality and Integration
- Statistical Support and Informatics
- Administration.

2.2 Strategic overview

2.2.1 Improved service delivery

Over the year Stats SA has seen an increased demand for statistical information. This has largely been driven by the emphasis on monitoring performance of the country at both national and international levels. The indicators measuring the United Nations' Millennium Development Goals (MDGs) and the South African government's Programme of Action are pushing quantitative assessment of national performance to the fore. This is reflected in the media coverage given to Stats SA's outputs and the increased activity on our website.

Accessing products and services

During the year, Stats SA released 242 statistical publications covering 54 different series. Stats SA's information is generally provided free of charge to the public through the StatsOnline website (www.statssa.gov.za), postal subscription or our user information services at head office and the provincial offices.

Since the launch of StatsOnline in early 2004 to the end of the financial year in March 2005, user sessions increased by 45% from a base of 2 337 sessions per day. During this period, the number of users subscribing to time series data also increased from 975 to 7 400. There is an electronic newsletter to which stakeholders may subscribe. The number of subscriptions rose from 1 027 in May 2004 to 2 700 in March 2005.



Consultation arrangements

In order to better align our information products with stakeholder needs, 10 stakeholder workshops were conducted during September 2004. The objective of these workshops was to establish information needs for the household survey programme. Over 400 people attended the workshops, the majority of whom were from local, provincial and national government. Approximately 20% of the participants were from academic and research institutions.

In addition, key stakeholders are periodically invited to participate in product-specific advisory committees or consultation workshops.

In line with the public service goal of enhancing service delivery, Stats SA has introduced an annual user satisfaction survey. The survey forms part of the department's overall performance management system. A selection of users was asked to rate their satisfaction with different products produced by Stats SA on a scale of 1 to 5. The ratings were aggregated to provide an overall satisfaction rating for the organisation. In 2003/2004, the satisfaction rating was 61%, which represents a satisfactory performance. The 2004/2005 rating was 69%, showing an improvement in user satisfaction from the previous year, but still placing Stats SA in the 'satisfactory performance' category. The results show that while surveyed users saw an improvement in the work of Stats SA, there is still significant room for further progress.

2.2.2 Overview of the organisational environment for 2004/2005

During the year, Stats SA undertook a review of its organisational strategy and structure. The review resulted in a much tighter and clearer strategic direction, and an organisational structure more effectively aligned to the strategy. The results of the review reaffirmed the strategic direction adopted by Stats SA in 2002.

Stats SA continues to experience severe constraints of capacity at a senior level. Of a funded staff complement of 1 267 at the end of the year, 310 positions had not been filled. Renewed attempts to recruit a Deputy Director-General for Economic Statistics were unsuccessful. The DDG of Quality and Integration is currently acting in this position and is assisted by the part-time presence of three experienced statisticians from Australia and Canada.

At the end of the 2003/2004 financial year, Cabinet confirmed that there would not be a Census in 2006, rather a large-scale community survey. As the Statistics Council had originally proposed this option, their participation in agreeing to the plans for the Community Survey was critical. The term of office of the Council expired in October 2004, leaving a gap in the decision-making process. Planning continued in the absence of the Council, and a formal agreement on the plans is expected early in the 2005/2006 financial year.

As reflected in the management report of the financial statements, transversal administrative systems were not continuously available, and significant interruptions were experienced. External emails were frequently delayed by up to six hours. With the majority of our users preferring to correspond with Stats SA by email, these delays represented a serious risk.

Stats SA released 242 statistical publications covering 54 different series.

2.2.3 Key strategic achievements

Strategic theme 1: Enhancing the quality of statistical information

Progress in developing register-based statistics

At the heart of improvement of statistics is the development of register-based collection and compilation systems. Over a period of time, Stats SA, the South African Revenue Services (SARS) and the Department of Trade and Industry have developed a register of businesses that serves as a frame for the production of economic statistical information. A substantial effort on mandatory collaboration is still required to enhance the gains made thus far. With respect to population statistics, Stats SA and the Department of Home Affairs are actively collaborating on the use of the population register. Information on the causes of death and the mid-year population estimates are derived from this register. A geo-referenced dwelling register is currently being piloted across three institutions, namely Stats SA, the Department of Communications and the Surveyor-General.

Economic statistics strategy and benchmarking of national accounts

In November 2003, Stats SA set itself a target to deliver benchmarked and rebased estimates of national accounts by November 2004. This ensured that the results of a range of revised economic indicators, based on the improved business register, as well as periodic surveys such as the income and expenditure survey of 2000 and the population census of 2001, were reflected in the estimates of value added (GDP) and its components.

The requirement to benchmark and rebase the national accounts was the substantive driver of a comprehensive strategy to improve the quality of all economic statistics. This effort represents the end of the first phase of transforming economic statistics in South Africa. With the assistance of international experts in economic statistics, a programme for the delivery of large sample surveys and short-term indicators was implemented. The statistics are based on samples drawn from the business register, which is an up-to-date sampling frame based on the South African Revenue Service (SARS) tax register. The publication of the rebased GDP estimates therefore represents the collective effort of a range of role-players throughout the organisation.

The benchmarking process was done for the first time through the use of supply and use tables, in accordance with the recommendations of the 1993 System of National Accounts (SNA'93). Active participation by Stats SA staff members in international steering and advisory committees assists the department to adhere to international guidelines.

Real gross domestic product (GDP) at market prices increased by 5,6 per cent during the third quarter of 2004 (Gross Domestic Product (GDP), third quarter of 2004, Annual estimates)

Consumer price index development project

Leading countries in the field of statistics use a 'direct' method of price collection for the consumer price index (CPI). This method entails enumerators personally visiting outlets to collect price and product information on typical items purchased by consumers and contained in the CPI basket, rather than obtaining this information through postal questionnaires. This direct method of price collection enables an accurate calculation of a CPI and timely release of the figures.

The feasibility of introducing this new methodology was successfully tested in Mpumalanga, thus ensuring a rapid extension to other provinces. The methodology is currently being implemented in Gauteng, Western Cape, Eastern Cape and North West. It is expected to be implemented throughout the country by August 2006.

Annual percentage change in the official inflation rate

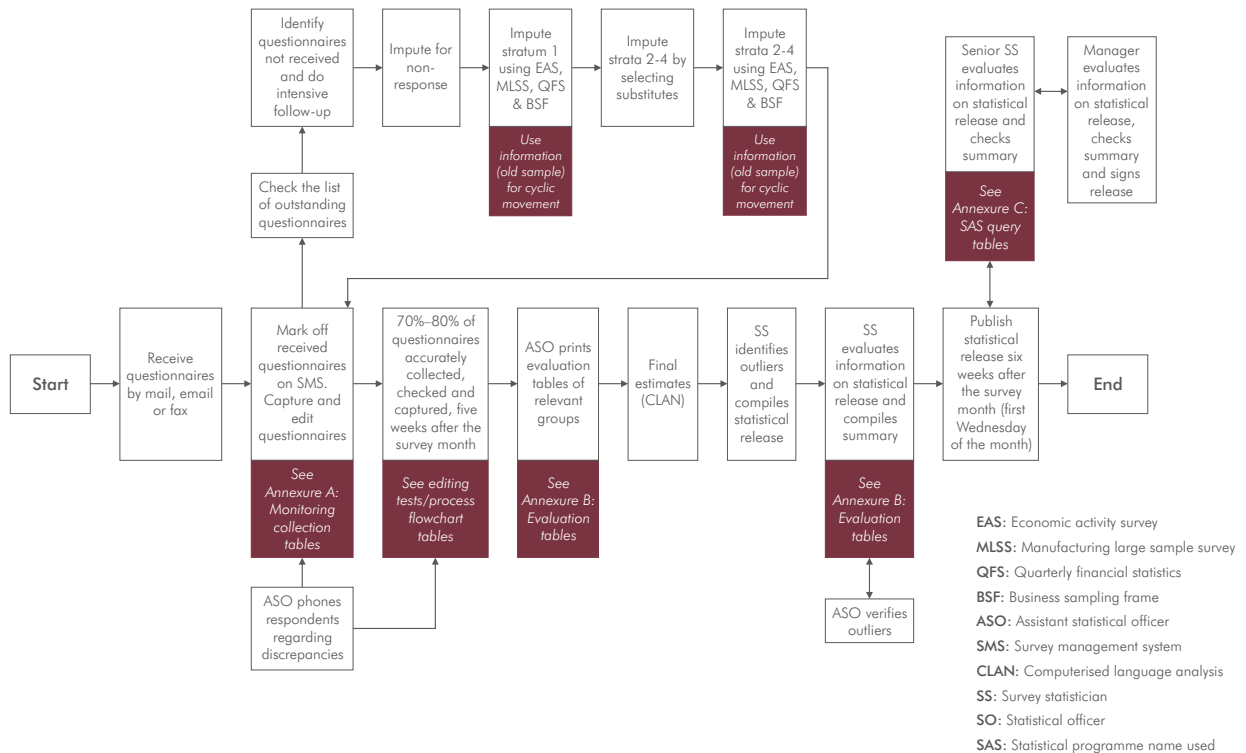


Improvements to process management in economic statistics

As part of the overall strategy to improve the quality of economic statistics, emphasis has been placed on improving response rates and introducing quality checks for data processes and releases in all economic series.

Response rates have been improved through the employment of additional staff to collect data, and more visits to respondents. Flowcharts and checklists were introduced in all surveys to ensure better understanding of the activities constituting various processes and better control over these activities. In addition, detailed documentation that adheres to best practice has been developed to guide the collection, processing and publication of each survey. This has been done with the assistance of the Quality and Methodology team.

Procedures for quality checking regarding implementation of the new sample





Population projections

The use of a cohort-component method to estimate population projections has had a major impact on the quality of the mid-year population estimates. This method examines different components of the population separately and estimates their growth, considering factors that are relevant to each cohort. A workshop was held to explain these projection methods and obtain input from other experts.

The population projections were utilised to reweight the samples used in social surveys such as the labour force survey and the general household survey. The new population projections account more effectively for the impact of HIV on fertility and mortality patterns.

Data management and information delivery

The Data Management and Information Delivery (DMID) project is aimed at ensuring the standardised production, storage and dissemination of all Stats SA's data holdings. The ultimate aim of the project will be the establishment of a data warehouse, which will include data, metadata, and relevant standards, definitions and classifications.

In pursuit of the data warehouse, the project has five work streams, namely:

- A metadata repository – to store information about data;
- A classifications and related standards (CaRS) database – as a resource to ensure consistency;
- A data repository – the data warehouse;
- Standards development – to ensure standards exist for all statistical series; and
- Policy development – to ensure uniform application of standards and processes.

Much of the work in the project over the past year focused on research and the development of standards and policy frameworks. Specific achievements include:

- Development of a policy framework for data governance to provide a basis for all policies on a range of data-related issues;
- Recommendation of a metadata standard following extensive research into different alternatives;
- Compilation of a good practice methodology for standards development and implementation in Stats SA, which includes a suggested infrastructure for standards; and
- Initial implementation of the CaRS system to provide a central storage facility for all classifications and create easy access as well as version control.

The DMID project has raised awareness and understanding of the important issue of standards within Stats SA.

Storage area network

In order to manage the large volumes of data held by Stats SA, a storage area network (SAN) was implemented during the year under review. A SAN optimises storage space by filing data across a range of servers connected to the network. The storage capacity was significantly enhanced through the purchase of an Itanium server.

Improving the supply of administrative data

In an attempt to improve the quality of data received from administrative sources, a workshop was held in March 2005 with court officials responsible for processing divorces. Representatives of 10 of the 12 satellite, family and high courts attended the workshop. These entities provide Stats SA with divorce forms. Initial indications are that there has been a significant improvement in the regularity and quantity of forms delivered.

Regional offices

In order to improve the quality of data collection for household-based surveys and censuses, Stats SA is establishing regional offices. It is envisaged that there will be one regional office in each of the 53 district municipalities and metros in the country. A total of 29 regional offices have been established to date, spreading throughout the nine provinces. The offices will be staffed by permanent staff members who will handle fieldwork management and administration, and will serve as the management structure for temporary fieldworkers deployed in all household-based surveys.

Strategic theme 2: Developing human capacity

Stats SA-sponsored tertiary education

Since 2001, Stats SA has been sending staff members to tertiary institutions in East Africa in order to equip the organisation with skills in the production of official statistics. The first group of graduates came back in 2003. To date, eight staff members have completed Masters degrees, one has completed a Bachelors degree, 13 have completed Diplomas, and three have obtained Certificates. Currently, there are four staff members studying for their Diplomas, two for the Bachelors and six for the Masters in East Africa.



Mr Waleed Jacobs

Since their return, these staff members have shown an improved understanding of official statistics in their performance. Some are now occupying management positions. One of the graduates, Mr Waleed Jacobs, contested the young statistician competition by the International Association of Official Statistics (IAOS) and was one of the top three candidates.

Some of the topics on which our current Masters students are doing their research projects are:

- A computerised approach to effective time-series analysis of labour force survey data: A case study of South Africa
- Rural–urban migration and urban unemployment in South Africa
- Social grants and household welfare in South Africa.

In addition, in 2002, Stats SA initiated a postgraduate programme in data mining at the University of the Witwatersrand in Johannesburg. Currently, 11 staff members are registered for the Masters programme and eight for the Honours programme. All the Masters students are in the process of completing their research projects, while two of the Honours students have just completed their studies.

On-the-job training initiatives

Stats SA has engaged in intensive on-the-job training as an approach for imparting skills. Several divisions employ a rotation programme to expose staff to different functions as a way of promoting multi-skilling. These programmes are utilised in conjunction with the departmental performance management system and formal training interventions. In addition, contracts with consultant service providers increasingly include specific skills transfer targets.

Internship programme

Stats SA offered 15 graduates the opportunity to gain experience working for the department. This is pilot group and the numbers are expected to increase in future years. The internship programme started in January 2005 and will have cohorts running for 12-month periods. Each intern is assigned a coach and is being rotated through four different work areas in the organisation. Formal learning sessions are also provided. The interns are regularly assessed to gauge their learning level and suitability for possible continued employment in Stats SA.



Interns on leadership development training

Through a structured learning plan all interns have the opportunity to:

- Learn about Stats SA and its business;
- Apply ideas, concepts or theories relevant to their field of study; and
- Develop self-confidence, self-awareness and self-management.

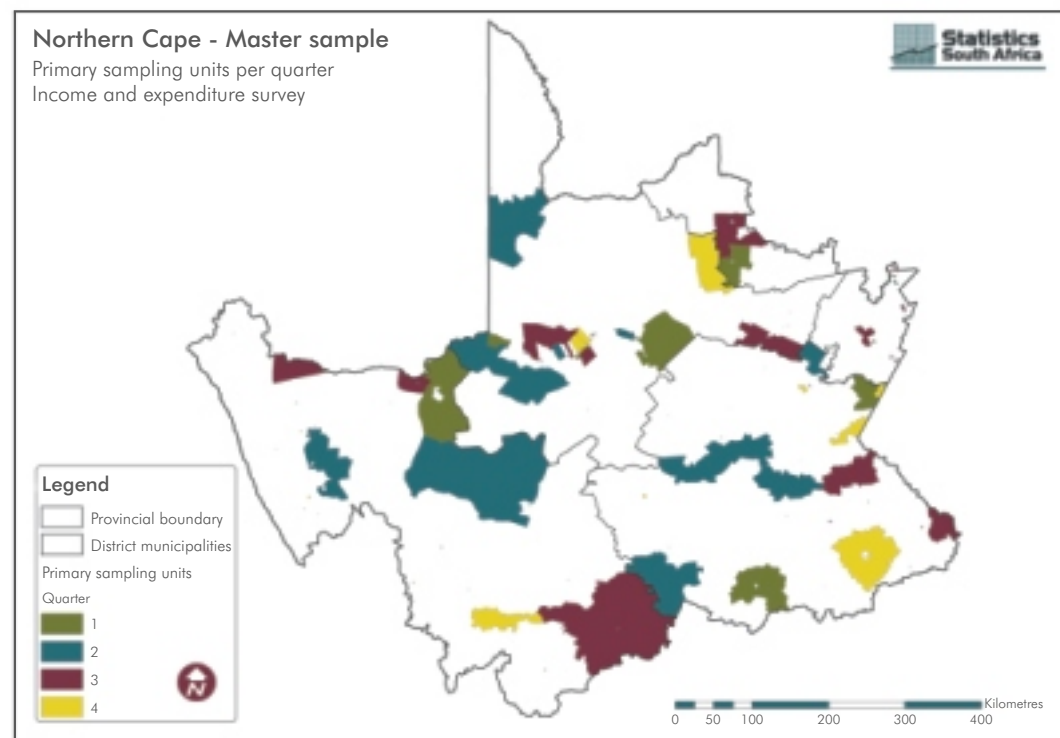
Training for SMS members on labour relations and the PFMA

As part of the ongoing training of Stats SA's management team, special training was arranged on labour relations practices and the Public Finance Management Act. All Senior Management Service (SMS) members were obliged to attend the training programme, which is aimed at ensuring compliance with relevant legislation and improving execution of management responsibilities.

In order to verify and improve the quality of the business register, a quality improvement survey was held in 2004/2005. The purpose of this survey was to establish the main activities of businesses, thereby ensuring the improvement of the quality of the industrial classification of these businesses on the business database of Stats SA. The survey was completed at the end of the financial year. Similar surveys will be run each year to ensure that the quality of the business register is kept up to date.

Improvements in the use of spatial data for social statistics

Household-based surveys use a master sample which is based on census data and the geographic frame. The master sample is then updated annually to account for any changes since the last census. The sample for the September 2004 labour force survey included district councils as explicit strata for the first time. This can assist policy-makers in sub-national spheres of government.



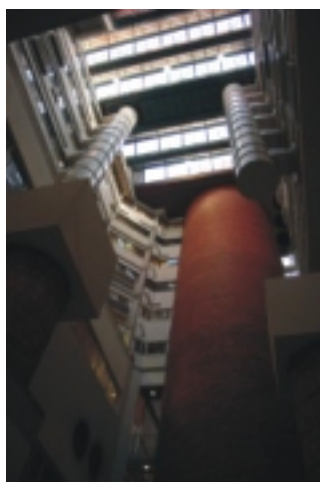
Address project

Previously, the lowest level of geographic detail that Stats SA worked with was the enumeration area. Stats SA has now taken a strategic decision to use an individual structure, erf or homestead as the lowest level of detail, represented by an address or other unique identifier. The use of the unique identifier will vastly improve the quality of data collections, and will provide a basis for the sample of the new community survey.

South Africa currently has many areas with no addresses. Because of the broad benefits of a proper system of addresses, Stats SA has initiated an interdepartmental process to develop and implement an address system. Monthly meetings are held with national stakeholders such as the Departments of Land Affairs (DLA), Provincial and Local Government (DPLG) and the South African Post Office (SAPO).

Stats SA has developed standards and a methodology for supplying addresses and has held workshops with local authorities in the major metropolitan areas in this regard. The organisation has also captured the addresses maintained by these municipalities.

Testing and feasibility studies where actual addresses have been allocated have been carried out in traditional communities of Thaba Nchu (Free State), Umzimvubu (Eastern Cape), Thulamela (Limpopo) and Maphumulo (KwaZulu-Natal). These studies were conducted jointly by Stats SA and SAPO, DLA, local municipalities and the traditional leadership of these areas.



Inside shot of the Stats SA head office building

Geo-referencing of businesses

In order to improve the understanding of the geographic spread of the economy, all units in the business register were coded according to the municipality in which they are located. The project was completed during the year. However, the results are of limited value because the contact point for businesses is often the head office; branches of larger businesses were not mapped. Stats SA has proposed that the regulatory agencies introduce a unique business identification number which would enable a clear spatial orientation of branches and their location. Properly geo-referenced businesses will enable Stats SA to publish a range of economic indicators at provincial level.

Strategic theme 4: Transformation

Review of strategy and structure

In June 2004, Stats SA's senior management conducted a comprehensive review of the state of the organisation and its strategic priorities. As a result, Stats SA has emerged with a more focused strategy for the next five years. This is reflected in a new vision, mission and set of strategic objectives for the department. Priority projects were also identified to ensure implementation of the strategy.

A review of the organisational structure was conducted to ensure optimal alignment with the strategy. The structure review resulted in better alignment of certain functions, and improved reporting lines.



Stats SA staff members at HIV/AIDS awareness training

Employment equity audit and plan

Stats SA conducted a comprehensive employment equity audit which has formed the basis for the employment equity plan. Consultations with all stakeholders on the audit were completed in November 2004. Consultations were held on the employment equity plan document, and the plan was expected to be finalised before 30 May 2005. Once finalised, the employment equity plan will become the key vehicle for driving transformation in Stats SA.

Employee Assistance Programme

The Employee Assistance Programme (EAP) launched a disability desk in November 2004. The first activity of this desk was a celebration of the International Day for Persons with Disabilities. The theme of the event was Celebrating Ten Years of Freedom: Nothing about us without us! The event covered topics such as empowering people with disabilities, creating awareness and a conducive environment for people with disabilities, and developing a transformation programme targeting people with disabilities.

HIV/AIDS programme

Stats SA has an active HIV/AIDS awareness and support programme. The programme's key achievements during the year were:

- The development of a policy and staff regulations on HIV/AIDS, and conducting information workshops on these. A total of 2 000 copies of the HIV/AIDS policy were distributed;
- The launch of an awareness programme on voluntary counseling and testing, with posters, brochures, Email talk and information channels;
- The opening of an HIV/AIDS and Employee Wellness Centre at head office in December 2004; and
- Establishment of HIV/AIDS committees in the provinces.

Strategic theme 5: Refocusing statistical information in line with user requirements

Causes of death and mortality statistics

A report documenting mortality and causes of death in South Africa from 1997 to 2003 was released on 18 February 2005. The release was based on information from death notification forms (DNFs) received from the Department of Home Affairs.



The information from death notification forms and the derived underlying cause of death provide crucial levels and trends of use to epidemiologists and demographers, and morbidity information necessary for the prevention of death. The project clearly demonstrates the extent to which statistics depend on the quality of input data, and the need for enhanced efforts to register deaths and correctly attribute the cause of death. The exercise has also provided us with a template for analysis in subsequent years.

With the first phase report released in February 2005, Stats SA now plans to undertake the second phase, which will entail processing the remaining 2003 and 2004 DNFs, and annual releases thereafter.

Census of Commercial Agriculture

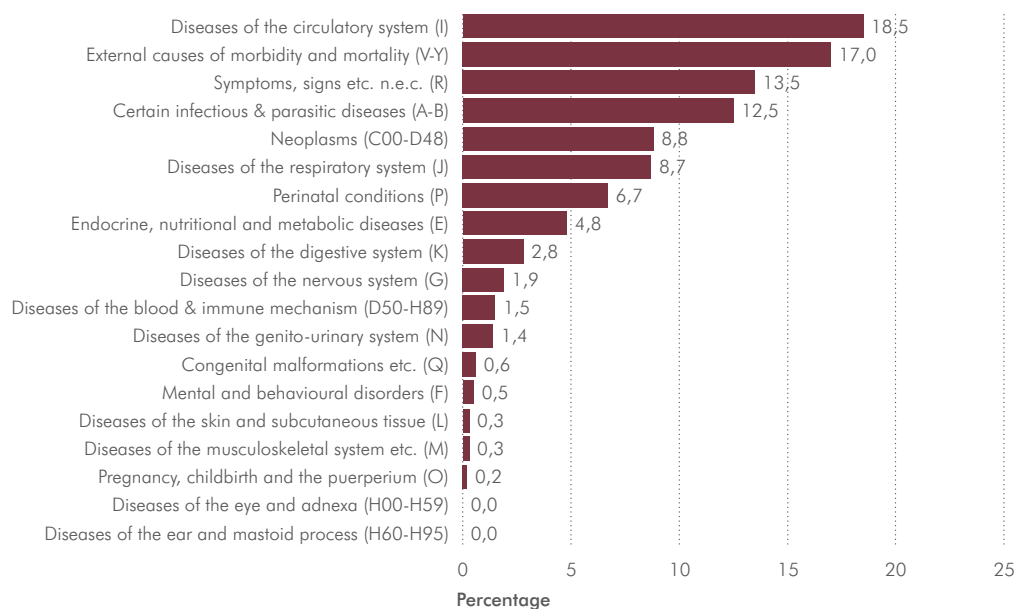
On 15 September 2004, Stats SA and the national Department of Agriculture jointly published the preliminary results of the 2002 Census of Commercial Agriculture. The release contained provincial information on the number of farming units that were active, gross farming income, employment statistics, expenditure, market value of assets and farming debt during the financial year 1 March 2001 to 28 February 2002.

A detailed report containing production and financial statistics was published on 10 March 2005. The information from the census is used by the South African Reserve Bank (SARB), Stats SA's National Accounts, the Department of Agriculture and other private users for benchmarking, planning and research. Approximately 520 users had downloaded the publication from the website by 31 March 2005.

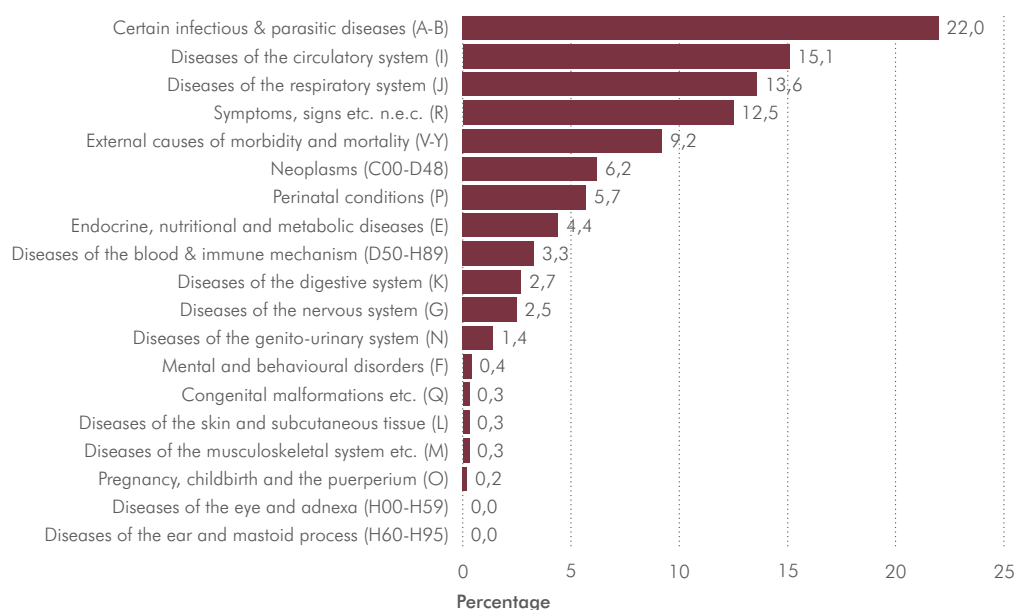
Non-financial census of municipalities

The non-financial census of South Africa's municipalities measures the level of development and performance of municipalities, and provides information for planning and monitoring service delivery. It allows national and provincial governments to analyse the actual services provided by municipalities in terms of water, electricity, solid waste management, and sewerage and sanitation. The results reflect on the progress and performance of the municipalities in the roll-out of free basic services. The results of the census were released in March 2005. The census was made possible through funding from the Swiss Development Cooperation (SDC).

Main groups of underlying causes of death, 1997



Main groups of underlying causes of death, 2003



Note: Classifications according to International Classification of Disease, Tenth Revision, 1992

Administered prices

Following requests from users such as the National Treasury and SARB, Stats SA released the first administered prices index as a discussion paper in August 2004. The index is published monthly and provides the weights of the basket of consumer goods and services that are regulated or influenced by organs of state in some way. The items include municipal services, telephone costs and petrol.

Community survey

Following the Cabinet's decision in March 2004 not to have a population census in 2006, time has been spent in planning the community survey, which will provide municipal level data between censuses. Various workshops were held to ascertain user needs. The variables for the community survey have been identified through this process. A sample for the community survey was devised in consultation with the Statistics Council. The survey will cover ten households in each of 17 000 enumerator areas.

Strategic theme 6: National Statistics System

Assessment of statistical capacity

Together with consultants from the World Bank, Stats SA assessed the statistical needs and capacity of eight government departments. The assessment examined the needs for statistics in terms of the legislative mandates of each department, the need for support from Stats SA and elsewhere, and their ability to use data. Both the human and physical infrastructure capacity were also assessed with a view to determining gaps and ways of filling them. The assessment proposed that statistical capacity development begins with the Departments of Health, Education, and Home Affairs. These departments were selected because of the key role they will play in improving quality and coverage of national statistics. The recommendations of the assessment challenged Stats SA to determine its own capacity to respond to the needs of the departments. An emphasis on capacity to provide training and agreements with tertiary educational institutions was proposed.

Millennium Development Goals

The Millennium Development Goals (MDGs) were adopted by world leaders in 2000 and the United Nations is the global coordinator of the MDG programme. Stats SA supplied data to the Social Cluster of the Forum for Directors-General (FOSAD), which was responsible for compiling the MDG country report. The report is expected to be presented to the United Nations in September 2005.

The unemployment rate decreased from 27,9% in March 2004 to 26,2% in September of the same year (Labour force survey, September 2004).

Millennium Development Goals

Goals and targets	Indicators
Goal 1: Eradicate extreme poverty and hunger	
<i>Target 1:</i> Halve, between 1990 and 2015, the proportion of people whose income is less than US\$1 a day	- Proportion of the population below US\$1 a day - Poverty gap ratio (incidence, times and depth of poverty) - Share of poorest quintile in national consumption
<i>Target 2:</i> Halve, between 1990 and 2015, the proportion of people who suffer from hunger	- Prevalence of underweight children (under five years) - Proportion of the population below minimum level of dietary consumption
Goal 2: Achieve universal primary education	
<i>Target 3:</i> Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	- Net enrolment rate in primary education - Proportion of pupils starting Grade 1 who reach Grade 7 - Literacy rate of 15- to 24-year-olds
Goal 3: Promote gender equality and empower women	
<i>Target 4:</i> Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015	- Ratio of boys to girls in primary, secondary and tertiary education - Ratio of literate females to males among 15- to 24-year olds - Share of women in wage employment in the non-agricultural sector - Proportion of seats held by women in the national parliament
Goal 4: Reduce child mortality	
<i>Target 5:</i> Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	- Under-five mortality rate - Infant mortality rate - Proportion of one-year-old children immunised against measles
Goal 5: Improve maternal health	
<i>Target 6:</i> Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate	- Maternal mortality ratio - Proportion of births attended by skilled health personnel
Goal 6: Combat HIV/AIDS, malaria and other diseases	
<i>Target 7:</i> Have halted by 2015 and begin to reverse the spread of HIV/AIDS	- HIV prevalence among 15- to 24-year-old pregnant women - Contraceptive prevalence rate - Number of children orphaned by HIV/AIDS
<i>Target 8:</i> Have halted by 2015 and begin to reverse the incidence of malaria and other major diseases	- Prevalence and death rates associated with malaria - Proportion of the population in malaria-risk areas using effective malaria prevention and treatment measures - Prevalence and death rates associated with tuberculosis - Proportion of tuberculosis cases detected and cured under directly observed treatment, short-course (DOTS)
Goal 7: Ensure environmental sustainability	
<i>Target 9:</i> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	- Change in land area covered by forest - Land area protected to maintain biological diversity - GDP per unit of energy use - Carbon dioxide emissions (per capita)
<i>Target 10:</i> Halve, by 2015, the proportion of people without sustainable access to safe drinking water	Proportion of the population with sustainable access to an improved water source
<i>Target 11:</i> Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers	- Proportion of the population with access to improved sanitation - Proportion of the population with access to secure tenure
Goal 8: Develop a global partnership for development	
<i>Target 12:</i> Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (including commitment to good governance, development and poverty reduction – both nationally and internationally)	Target and indicators are not presently being measured in South Africa
<i>Target 13:</i> Address the special needs of the least developed countries	Official development assistance (ODA)
<i>Target 14:</i> Address the special needs of landlocked countries and small island developing states	Target and indicators do not apply to South Africa
<i>Target 15:</i> Deal comprehensively with debt problems of developing countries through national and international measures in order to make debt sustainable in the long run	Debt service as a percentage of exports of goods and services
<i>Target 16:</i> In cooperation with developing countries, develop and implement strategies for decent and productive work for youth	Unemployment rate of 15- to 24-year-olds, by each sex and in total
<i>Target 17:</i> In cooperation with pharmaceutical companies, provide access to affordable drugs in developing countries	Measurement of target not available for South Africa (free primary healthcare for all)
<i>Target 18:</i> In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	- Telephone lines and cellular subscribers - Personal computers in use per 100 people

Support to the Department of Education

Stats SA helped the Department of Education conduct an audit of the qualifications of teachers in all schools in South Africa. Assistance was provided with all stages of the audit, from questionnaire design to report writing. Assistance was also provided in conducting a schools infrastructure survey to establish the level of facilities and services available to each school. The aim of the qualifications audit and infrastructure survey was to establish a benchmark audit of the status of schools in the country to assess their readiness to implement outcomes-based education.

Certification of external data as official statistics

The Statistics Act empowers the Statistician-General to declare the statistics of other departments as official. To this end, a certification framework has been developed which requires four criteria to be met. These relate to quality standards, conceptual standards and methodologies, sustainability, and relevance beyond the needs of the particular department.

The Department of Science and Technology (DST) was the first department to apply to have its statistics declared official. Stats SA will set up a mechanism for processing this and other service needs of stakeholders arising from the provisions of the Act.

Development of the National Statistics System structure

A key tool in the development of the NSS is the signing of memoranda of understanding (MOU) between Stats SA and partner departments. These MOU contain areas of mutual collaboration between Stats SA and other departments and a commitment by the department to maintain the standards of the NSS. During the year, MOU were signed with the national Departments of Education, and Science and Technology, the Council for Scientific and Industrial Research and the KwaZulu-Natal provincial government.

Strategic theme 7: Improving governance

Quarterly review process

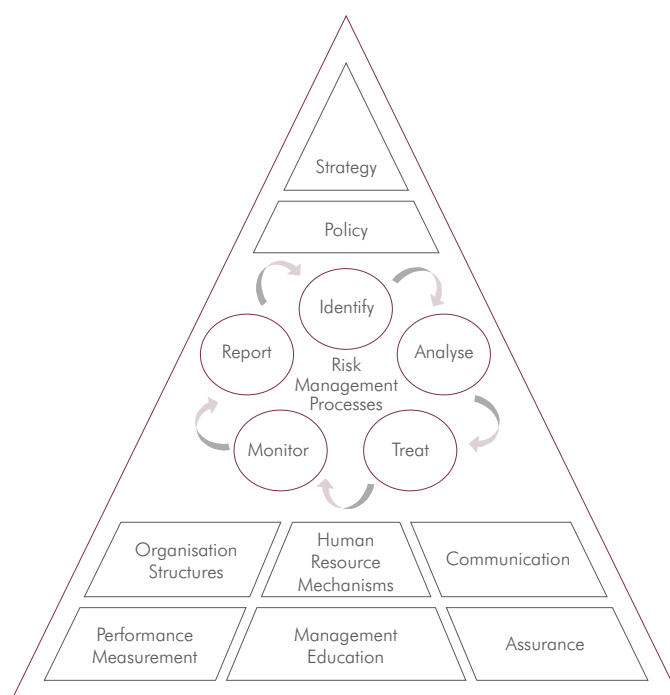
In a move to improve accountability in Stats SA, quarterly review meetings were established as part of the organisational performance management framework. Each Deputy Director-General is required to present on the achievement of quarterly targets and the reason for any deviations.

Implementation of risk management

A risk management strategy and a risk management policy were approved during the financial year. A risk management steering committee was established to oversee the implementation of a risk plan. Risk assessment and mitigation has become an integral part of strategic, business and operational planning, with project leaders becoming risk owners. This provides the basis for internal audit plans.

Stats SA signed memoranda of understanding with the departments of Education and Science and Technology, the Council for Scientific and Industrial Research and the KwaZulu-Natal provincial government.

Stats SA's risk management approach



Risk: any potential event, scenario or happening that could prevent the achievement of an objective. Risks can be thought of in three distinct senses – as threat, uncertainty or lost opportunity.

Threats or hazards: the risk of loss or a bad thing happening – typical examples include system failure, fraud, financial loss or a lawsuit.

Uncertainty: the distribution of all possible outcomes, both positive and negative. In this context, risk management seeks to reduce the variance between anticipated outcomes and actual results.

Lost opportunity: the risk that an opportunity is missed or of something good not happening.

Asset management

An asset register that utilises barcodes to identify different asset items was implemented at all premises occupied by the department, including provincial and regional offices. The barcodes facilitate asset recognition during the physical asset inventory, and the system assists in the management of assets through database comparisons and the production of exception reports. This allows for management of assets throughout the cycle of their acquisition, transfer and disposal. The next phase is to develop a full-blown asset management system.

Decentralisation of certain finance and human resource functions to provinces

In order to improve administration process at the lowest level, certain financial and human resource (HR) functions were decentralised to the provincial offices. It is intended that the decentralisation will strengthen administrative capacity for censuses and large surveys. HR functions decentralised included Persal operations, labour relations and recruitment.



Business process improvement

All administrative and financial systems in Corporate Services are being revised through a business process improvement project. The aim of the project is to ensure compliance to regulatory requirements and provide a better service to users. The project commenced during 2004/2005 and the initial stage, business process mapping, was completed during the same year. This stage involved identifying all existing major and sub-processes with a view to determining internal control weaknesses, as well as inefficient and ineffective practices. The project will continue in the new financial year with the design and implementation of improved processes.

A total of 260 “as-is” processes have been mapped during the business process improvement project.



Section 3

PROGRAMME PERFORMANCE

Summary of programmes

Stats SA's work is carried out through five programmes, namely:

- Economic and Social Statistics
- Population Statistics
- Quality and Integration
- Statistical Support and Informatics
- Administration.

3.1 Economic and Social Statistics

Purpose

To produce economic and social statistics that meet user requirements

Measurable objective

To inform socio-economic decision-making by providing accurate, relevant and timely economic and social statistical information

Service delivery targets and performance

Subprogramme: Industry and Trade Statistics

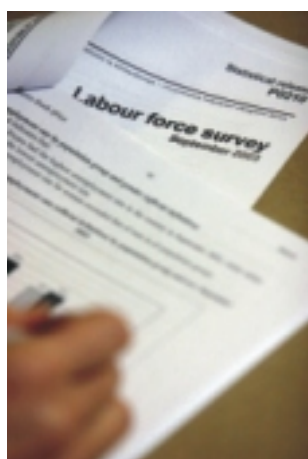
Output	Indicator	Target	Actual output
Mining: Production and sales	Monthly statistical release	Publish 12 statistical releases	Published 12 statistical releases
Electricity generated and available for distribution	Monthly statistical release	Publish 12 statistical releases with a response rate of 100%	Published 12 statistical releases with a response rate of 100%
Manufacturing: Production and sales	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	Published 12 statistical releases with a response rate of 87%
Manufacturing: Products manufactured	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	None published because of poor response rate and quality problems
Retail trade sales	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	Published 12 statistical releases with a response rate of 85%
Wholesale trade sales	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	Published 12 statistical releases with a response rate of 85%
Motor trade sales	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	Published 12 statistical releases with a response rate of 85%
Land freight transport	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	None published because of problems with the sample

Output	Indicator	Target	Actual output
Selected building statistics of the private sector as reported by local government institutions	Monthly statistical release and one annual statistical release	Publish 12 monthly statistical releases and one annual statistical release with a minimum response rate of 90%	Published 12 monthly statistical releases and one annual statistical release with a response rate of 95%
Liquidations and insolvencies	Monthly statistical release	Publish 12 statistical releases	Published 12 statistical releases
Civil cases for debt	Monthly statistical release	Publish 12 statistical releases	Published 12 statistical releases
Restaurants, bars and canteens	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	None published as resources were utilised for the survey of accommodation
Accommodation – short stay	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	None published in this financial year; first publication expected in June 2005
Manufacturing: Utilisation of production capacity by large enterprises	Quarterly statistical release	Publish four statistical releases with a minimum response rate of 70%	Published four statistical releases with a response rate of 74%
Census of commercial agriculture	One annual statistical release and one annual statistical report	Publish one annual statistical release and one annual statistical report with a minimum response rate of 80%	Published one annual statistical release and one annual statistical report with a response rate of 80%
Large sample survey of the manufacturing industry, 2001	Periodic statistical release	Publish one statistical release with a minimum response rate of 80%	Published one statistical release with a response rate of 84%
Large sample survey of the transport industry, 2002	Periodic statistical release	Publish one statistical release with a minimum response rate of 80%	Published one statistical release with a response rate of 80,4%
Large sample survey of the post and telecommunication industry, 2002	Periodic statistical release	Publish one statistical release with a minimum response rate of 80%	Published one statistical release with a response rate of 100%
Large sample survey of the motor trade industry, 2002	Periodic statistical release	Publish one statistical release with a minimum response rate of 80%	Published one statistical release with a response rate of 84,1%



Subprogramme: Employment and Price Statistics

Output	Indicator	Target	Actual output
Employment statistics	Quarterly statistical release	Publish four statistical releases with a minimum response rate of 80%	Published four statistical releases with a response rate of 81,5%
Consumer price index (Headline and metropolitan areas)	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 90%	Published 12 statistical releases with a response rate of 90%
Consumer price index (Rural and total country)	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 90%	Published 12 statistical releases with a response rate of 90%
Producer price index	Monthly statistical release	Publish 12 statistical releases with a minimum response rate of 85%	Published 12 statistical releases with a response rate of 85%
Building contracts adjustment indices	Monthly statistical release	Publish 12 statistical releases based on CPI and PPI data	Published 12 statistical releases based on CPI and PPI data



Subprogramme: Financial Statistics

Output	Indicator	Target	Actual output
Economic activity survey for 2001, 2002 and 2003	Annual statistical release	Publish one statistical release with a response rate of 75%	Published one statistical release with a response rate of 85%
Quarterly financial statistics	Quarterly statistical release	Publish four statistical releases	Published four statistical releases
Non-financial census of local government for 2003	Annual statistical release	Publish one statistical release with a response rate of 85%	Published one statistical release with a response rate of 100%
Financial census of local government for 2003	Annual statistical release	Publish one statistical release with a response rate of 85%	Published one statistical release with a response rate of 100%
Quarterly RSC levies	Quarterly statistical release	Publish four statistical releases	Published four statistical releases with a response rate of 100%

Output	Indicator	Target	Actual output
Quarterly local government financial statistics (unpublished)	Quarterly financial statistics releases	Four reports	Four reports with a response rate of 85%
Capital expenditure of the public sector for 2003	Annual statistical releases	Publish two statistical releases with a response rate of 85%	Published two statistical releases with a response rate of 100%
Extra-budgetary accounts 2002/2003	Annual statistical release	Publish one statistical release	Published one statistical release
Provincial government expenditure 2002/2003	Annual statistical release	Publish one statistical release	Published one statistical release
National government expenditure 2002/2003	Annual statistical release	Publish one statistical release	Published one statistical release
Expenditure of universities and technikons 2003	Annual statistical release	Publish one statistical release	Published one statistical release
Consolidated general government expenditure 2001/2002	Annual statistical release	Publish one statistical release	Published one statistical release
Consolidated general government 2002/2003	Annual statistical release	Publish one statistical release	Published one statistical release

Subprogramme: Social Statistics

Output	Indicator	Target	Actual output
General household survey (GHS) – information on living conditions of South Africans	Annual statistical release	Publish GHS 2003 with a response rate of 90%	Published GHS 2003 with a response rate of 90%
Labour force survey statistics including information on employment and unemployment	Biannual statistical release	Publish two statistical releases with a response rate of 90%	Published two statistical releases with a response rate of 85,3%
Income and expenditure survey pilot	Pilot of the income and expenditure survey using the diary method	Prepare plans and conduct a pilot with a 90% response rate	Plans were ready by October 2004 and pilot was conducted with a response rate of 84,7%

3.2 Population Statistics

Purpose

To produce population statistics and conduct the population census

Measurable objective

To inform policy and planning processes on the state of the population by providing relevant, accurate and timely information on the demographic characteristics of the country

Service delivery targets and performance

Subprogramme: Population Census

Output	Indicator	Target	Actual output
Census 2011	Planning and census reviews	Two documents	Two draft documents on census strategy and planning
Community survey	Operational plan and supporting documents	Two documents	Draft project charter Draft operational plan

Subprogramme: Demographic Analysis

Output	Indicator	Target	Actual output
Thematic reports on fertility, mortality, migration and nuptiality, as well as population projections and estimates	Mid-year estimates Census 2001 analytical reports on: • Migration • Gender • Population dynamics	Publish four reports	Published one mid-year population estimates report Three draft analytical reports

Subprogramme: Health and Vital Statistics

Output	Indicator	Target	Actual output
Statistical information on mortality	Causes of death in South Africa	Publish one report	Published one report
Statistical information on marriages and divorces	Marriages and divorces	Publish one report	Published two reports (2001 and 2002)
Statistical information on recorded live births	Recorded live births	Publish one report	Published one report
Statistical information on tourism and migration	Tourism and migration	Publish 12 statistical releases and two reports	Published 12 monthly releases and two annual reports

3.3 Quality and Integration

Purpose

To provide expertise on quality and methodology for official statistics, build capacity for the production and use of official statistics, compile national accounts and analyse statistical data

Measurable objective

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

Service delivery targets and performance

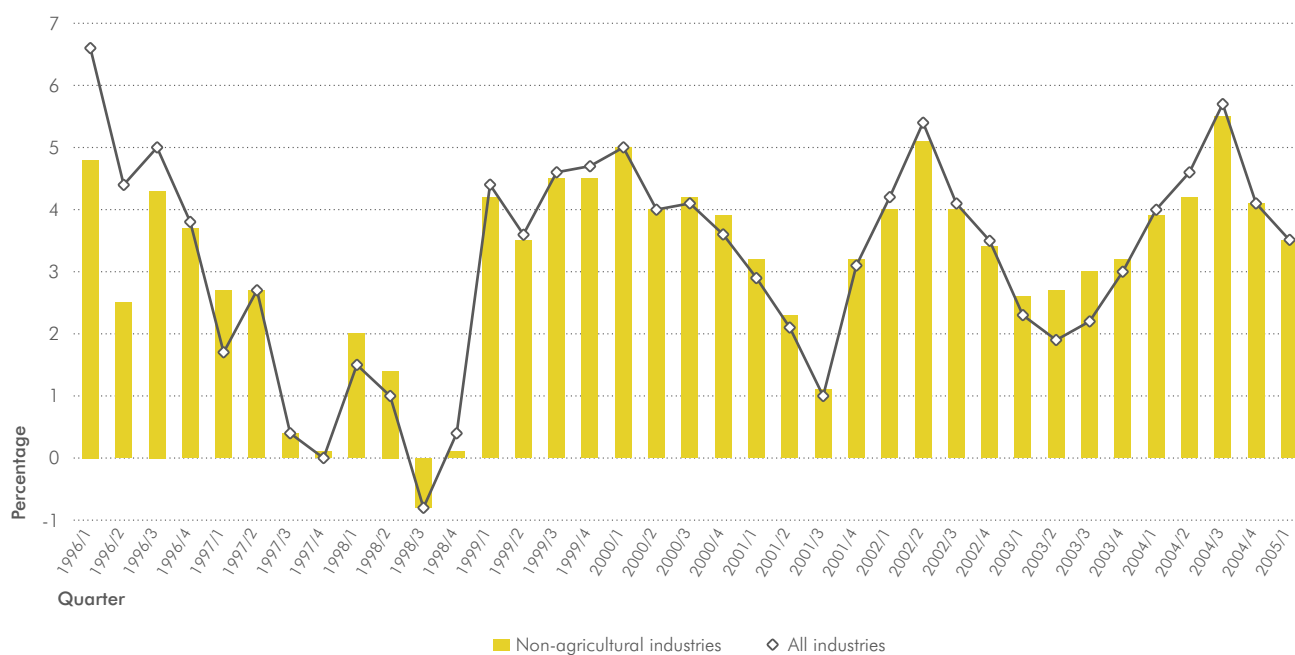
Subprogramme: Quality and Methodology and Integrative Analysis

Output	Indicator	Target	Actual output
Development of compendium of concepts and definitions	Number of documents finalised	Finalise two documents	Finalised one document
Classification and Related Standards (CaRS)	Number of staff trained	Train 30 staff members	Trained 78 staff members
Methodological support to economic statistics	Number of documents finalised	Finalise three methodological manuals	Finalised three manuals
Methodological support to social statistics	Number of documents finalised	Finalise five methodological manuals	Finalised one manual
Research reports on methodological issues	Number of documents finalised	Finalise one report by March 2005	Finalised one report on master sample frame
Reports analysing and integrating findings from various databases	Number of reports produced	Produce three reports	No reports were produced as staff were deployed to methodological projects

Subprogramme: National Accounts

Output	Indicator	Target	Actual output
Data about the level of economic activity within a coherent system of concepts and definitions	Quarterly GDP estimates	Quarterly release	Four releases
	Annual GDP estimates	Annual release	One release
	Natural Resource Accounts	Two discussion documents	Four discussion documents

Annualised growth rate in the seasonally adjusted real gross domestic product



Source: Stats SA

Subprogramme: Human Capacity Development

Output	Indicator	Target	Actual output
External training to municipalities and media	Number of participants in the training programme	150	Only 34 people trained as this programme was suspended in order to focus more attention on training Stats SA staff
In-house staff training	Number of staff members trained	160	Trained 175 people (eight on basic sampling, 136 on IT and 31 on project management)
Statistical training at tertiary level	Number of staff trained	40	23 (three at Makerere, three at EASTC and 17 at Wits)
Non-statistical training at tertiary level	Number of participants	20	56 bursaries awarded to staff members

3.4 Statistical Support and Informatics

Purpose

To promote and provide better access to official statistics by optimising technology in the production and use of official statistics

Measurable objective

Improve service delivery and increase accessibility to statistical products and services to stakeholders through providing and strengthening systems at national, provincial and district levels

Service delivery targets and performance

Subprogramme: Geography

Output	Indicator	Target	Actual output
Address register (dwelling frame)	Allocation and standardisation of physical addresses	10%	10% (1,3 million addresses in urban formal areas and 6 518 in traditional areas)
Geographic frame for spatial analysis of statistical information	Percentage of geographic framework coverage of the country based on boundaries	90%	90%
Spatial infrastructure for household surveys	Percentage geo-referenced sampled dwellings	100%	0%, as this project was suspended as emphasis shifted to preparations for the community survey
Spatial infrastructure for the business register	Percentage geo-referenced businesses	25%	0%, as information quality on the business register was inadequate for spatial referencing

Subprogramme: System of Registers

Output	Indicator	Target	Actual output
Sample frame for the collection of economic statistics	Updated sample frame produced	Annually in June	Updated in August

Subprogramme: Information and Communication Technology

Output	Indicator	Target	Actual output
Consolidate storage and backup	Commissioned SAN equipment Backup and recovery plans	100%	90%
Procedures/plans and functional off-site	Equipment, plan and off-site	50%	30%
Barcoded assets and asset management system	Asset register	100%	100%

Subprogramme: Statistical Information Services

Output	Indicator	Target	Actual output
Accessible Stats SA statistical information	Number of user sessions on the website	2 500 per month	3 200 per month
	Number of <i>Census 2001: Community profiles</i> distributed to government departments and agencies	86 software installations	102 software installations



Subprogramme: Provincial Offices and Coordination

Output	Indicator	Target	Actual output
Fieldwork capacity for Stats SA's data collections	Number of completed questionnaires	90 000 fully completed questionnaires for labour force and general household surveys	95% response rate and 100% coverage
		Pilot for the income and expenditure survey	Pilot successfully completed
		Roll out of CPI direct price collections from 77 businesses in Mpumalanga	Rolled out in Mpumalanga, Western Cape and Gauteng
		9 000 Census research and questionnaires completed	98% response rate and 100% coverage
		9 000 Census publicity questionnaires	92% response rate
Statistical information dissemination	Number of training and information workshops with users	233	233
	Provincial profiles completed	Publish one per province	Nine draft reports

3.5 Administration

Purpose

To provide corporate support services for the activities of the department including strategic leadership, administrative services and the office of the National Statistics System (NSS).

Service delivery targets and performance

Subprogramme: National Statistics System

Output	Indicator	Target	Actual output
Partnerships in the NSS	Signed memoranda of understanding with state organs	Four	Four
Statistical capacity in other departments assessed	Number of departments audited	Three national departments	Eight national departments
System of development indicators	Number of indicators identified	25 indicators	Assistance provided in formulating monitoring and evaluation systems in five departments/agencies
	Millennium Development Goals report	Complete draft country report	Completed draft country report
A framework for standards and certification of official statistics	Number of statistics certified as official	Three	None
			A draft certification framework document

Subprogramme: Office of the Statistician-General

Output	Indicator	Target	Actual output
Internal communication	Newsletter to staff	Weekly	Monthly
Public and media relations	News articles on Stats SA	Weekly	- Weekly column by SG 3–5 articles covering Stats SA information per week
International relations	Improved collaboration with SADC statistics agencies	Implement SADC census analysis programme	- Three planning and training workshops - Completed two draft documents

Subprogramme: Programme Office and Management Information Systems

Output	Indicator	Target	Actual output
Project management	Integrated progress reports on projects across Stats SA	Monthly	Compiled: - Weekly and monthly project status reports - Monthly reports on implementation of audit report recommendations - Real time expenditure reports - Real time integrated statistics schedule
Management information system	Online business management system	Phase 1 (June 2004)	Phase 1 (June 2004)
	Online project management system	Phase 1 (March 2005)	Phase 1 (February 2005)
	Online project finance management system	Phase 2 (March 2005)	Phase 2 (February 2005)

Subprogramme: Finance and Provisioning Administration

Output	Indicator	Target	Actual output
Financial management and administration	Compliance to regulations	Unqualified audit report	TBA
Procurement and logistics	Supply chain management (SCM) approach implemented	50%	75%; the only outstanding feature is full implementation of departmental policies

Subprogramme: Human Resource Management

Output	Indicator	Target	Actual output
Human resource management and administration	Compliance to regulations	Unqualified audit report	TBA
Employee commitment and alignment	Staff satisfaction index	Five percentage points improvement from previous year	Three percentage points decrease
HIV/Aids awareness and support programme	Number of workshops and participants thereof	Conduct workshops in nine provincial offices HIV/Aids day workshop	Conducted seven with 119 overall participants 400 staff members attended the workshop
Employee Assistance Programme	Participation in stress management session for managers and other personnel	Conduct 10 workshops	Conducted eight workshops, attended by 150 staff members

Subprogramme: Service Delivery Improvement

Output	Indicator	Target	Actual output
Strategy and organisational development	Strategic plan and organisational structure approved	May	Strategic plan tabled in Parliament in May 2004 Re-aligned organisational structure approved in March 2005
Corporate planning	Business plans compiled for all divisions of Stats SA	May	Business plans compiled as part of the medium term expenditure framework planning process
Performance management	Performance agreements for SMS members	90% of SMS members	95% of SMS members
Reporting	- Quarterly reports - Annual report	- Four - Table in Parliament in September	- None - Tabled in Parliament in September



Section 4

HUMAN RESOURCE INFORMATION

Service delivery

1.1 Main products and services

The main services that Statistics South Africa offers are economic, social and population statistics. This information is disseminated by means of post, fax, email and through Stats SAs website.

Stats SAs users are divided into eleven categories. The organisation aims to deepen the base of users in each category, especially local government. Categories of users are:

- Constitutional and public enterprises
- International agencies
- Local government
- Media
- Members of the public
- National government
- Non-governmental organisations
- Parliamentarians
- Private sector
- Provincial government

1.2 Consultation arrangements

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. During the year the Statistics Council's term came to an end and nominations were requested for a new council.

In this period Stats SA held 10 consultation workshops with users. There was one held in each province and one for national organizations. Over 400 people attended these workshops. Subject-specific user consultations take place on an *ad hoc* basis when required.

1.3 Service delivery access strategy

Stats SA provides its information in a variety of formats and through different channels. During the year the following numbers were recorded:

- Total visits to Stats Online: 911 267
- Time series subscribers: 7 400
- Newsletter subscribers: 2 701
- Total number of documents and data sets distributed: 697 195

1.4 Service information tool

Stats SA provides different software tools to improve the utilisation of data. These tools include:

- PX Web: 5061 downloads
- SuperCross: 164 copies installed and 343 people trained
- Small area statistics: 60 CDs distributed

Expenditure

Data in these tables present the situation as reflected in Persal on 31 March 2005. 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 2005
1. Administration	77 656	46 806	1 438	4 421	60,3	177	264
2. Economic and Social Statistics	93 005	47 743	516	12 290	51,3	109	438
3. Population Census and Statistics	50 437	23 844	242	7 913	47,3	361	66
4. Quality and Integration	21 970	17 013	917	470	77,4	233	73
5. Statistical Support and Informatics	106 048	59 645	657	1 353	56,2	172	347
Total	349 116	195 051	3 770	26 447	55,9	164	1 188

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	-	-	0,0	-
Levels 3-5	92	6 487	3,6	71
Levels 6-8	533	69 458	38,6	130
Levels 9-12	302	61 749	34,3	204
Levels 13-16	87	42 229	23,5	485
Total	1 014	179 923	100,0	177
Contract employees				
Levels 1-2	-	-	0,0	-
Levels 3-5	73	3 655	24,2	50
Levels 6-8	88	8 142	53,8	93
Levels 9-12	8	1 161	7,7	145
Levels 13-16	5	2 170	14,3	434
Total	174	15 128	100,0	87
Permanent and contract				
Levels 1-2	-	-	0,0	-
Levels 3-5	165	10 142	5,2	61
Levels 6-8	621	77 600	39,8	125
Levels 9-12	310	62 910	32,3	203
Levels 13-16	92	44 399	22,7	483
Total	1 188	195 051	100,0	164

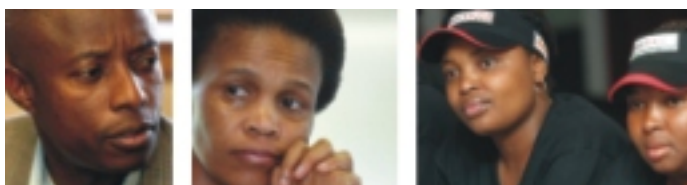
Table 2.3 – Overtime, allowances and benefits by programme - amount, and percentage of total personnel cost

Programme	Salaries and wages		Honoraria		Overtime		Home owners allowance		Medical assistance		Total
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%	R'000
1. Administration	32 028	22,9	-	0,0	1 086	33,4	327	26,7	1 440	20,9	34 881
2. Economic and Social Statistics	35 609	25,4	-	0,0	13	0,4	296	24,2	2 066	30,0	37 984
3. Population Census and Statistics	16 971	12,1	-	0,0	2 027	62,3	58	4,7	400	5,8	19 456
4. Quality and Integration	11 276	8,1	-	0,0	-	0,0	72	5,9	549	8,0	11 897
5. Statistical Support and Informatics	44 082	31,5	-	0,0	127	3,9	470	38,4	2 434	35,3	47 113
Total	139 966	100,0	-	0,0	3 253	100,0	1 223	100,0	6 889	100,0	151 331

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	-	0,0	-	0,0	-	0,0	-	-	-
Levels 3-5	3 449	2,5	2 347	72,2	85	7,0	513	7,5	6 394
Levels 6-8	50 907	36,4	657	20,2	673	55,0	3 635	52,8	55 872
Levels 9-12	42 290	30,2	249	7,7	465	38,0	1 662	24,1	44 666
Levels 13-16	43 320	31,0	-	0,0	-	0,0	1 079	15,7	44 399
Total	139 966	100,0	3 253	100,0	1 223	100,0	6 889	100,0	151 331



Employment and vacancies

Table 3.1 – Employment and vacancies by programme, 31 March 2005

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	319	252	21,0	12	0
2. Economic & Social Statistics	375	316	15,7	122	1
3. Population Census & Statistics	93	58	37,6	8	0
4. Quality & Integration	91	56	38,5	17	1
5. Statistical Support & Informatics	440	332	24,5	15	1
Total	1 318	1 014	23,1	174	3

Table 3.2 – Employment and vacancies by salary bands, 31 March 2005

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	0	0	0,0	0	0
Levels 3-5	101	92	8,9	73	0
Levels 6-8	681	533	21,7	88	2
Levels 9-12	416	302	27,4	8	1
Levels 13-16	120	87	27,5	5	0
Total	1 318	1 014	23,1	174	3

Table 3.3 – Employment and vacancies by critical occupations, 31 March 2005

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	85	63	25,9	9	0
Economists	45	34	24,4	1	0
Statisticians & related professionals	355	262	26,2	7	1
Graphic designers	4	4	0,0	0	0
Total	489	363	25,8	17	1

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	0	0	0,0	2	100,0	0	0,0
Levels 3-6	71	2	5,1	0	0,0	0	0,0
Levels 7-8	571	2	5,1	0	0,0	0	0,0
Levels 9-12	220	29	74,4	0	0,0	0	0,0
SMS Band A	62	6	15,4	0	0,0	0	0,0
SMS Band B	18	0	0,0	0	0,0	0	0,0
SMS Band C	6	0	0,0	0	0,0	0	0,0
SMS Band D	1	0	0,0	0	0,0	0	0,0
Total	949	39	100,0	2	100,0	0	0,0

Table 4.2 – Profile of employees absorbed in an upgraded post

	African	Asian	Coloured	White	Total
Female	48	2	3	34	87
Male	68	1	3	9	81
Total	116	3	6	43	168

Employees with disabilities

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
	1	13	14	Person already on higher salary level than graded level
	2	14	15	Persons already on higher salary levels than graded levels
Total	3			

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	1	2
Total	1	0	0	2	3

Employees with disabilities

None

Employment changes

Table 5.1 – Annual turnover rates by salary band

Salary band	Total employees on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Levels 1-2 (permanent)	0	0	0	
Levels 1-2 (temporary)	8	0	0	0,0
Levels 3-5 (permanent)	70	11	7	8,6
Levels 3-5 (temporary)	121	265	456	118,1
Levels 6-8 (permanent)	558	39	36	6,0
Levels 6-8 (temporary)	132	64	69	35,2
Levels 9-12 (permanent)	218	17	28	11,9
Levels 9-12 (temporary)	11	1	6	50,0
Senior Management Service Band A (permanent)	60	3	1	1,6
Senior Management Service Band A (temporary)	2	1	1	33,3
Senior Management Service Band B (permanent)	17	0	0	0,0
Senior Management Service Band B (temporary)	3	0	0	0,0
Senior Management Service Band C (permanent)	4	0	0	0,0
Senior Management Service Band D (permanent)	1	0	0	0,0
Total	1 205	401	604	37,6

Table 5.2 – Annual turnover rates by critical occupation

Occupation	Number of permanent & contract employees on 1 April 2004	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
IT Specialists	65	12	16	20,8
Economists	32	6	3	7,9
Statisticians	249	19	20	7,5
Total	346	37	39	10,2

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	7	9,7	0,8
Resignation	35	48,6	3,8
Dismissal – operational changes & misconduct	2	2,8	0,2
Discharged due to ill health	1	1,4	0,1
Retirement	3	4,2	0,3
Early retirement	1	1,4	0,1
Transfers to other public departments	23	31,9	2,5
Total	72	100,0	7,8
Termination type	Number	Percentage of total terminations	Percentage of total temporary employees
Temporary staff			
Death	0	0,0	0,0
Resignation	30	5,6	11,0
Expiry of contract	499	93,8	180,0
Dismissal – operational changes	0	0,0	0,0
Dismissal – misconduct	0	0,0	0,0
Abscondment/Desertion	3	0,6	0,0
Total	532	100,0	191,0

Table 5.4 – Promotions by critical occupation

Occupation	Number of employees on 1 April 2004	Promotions to another salary level		Notch progressions	
		Number	Percentage of total in occupation	Number	Percentage of total in occupation
IT Specialists	65	10	15,4	4	6,2
Economists	32	5	15,6	0	0,0
Statisticians	249	59	23,7	22	8,8
Total	346	74	21,4	26	7,5

Table 5.5 – Promotions by salary band

Salary band	Number of employees on 1 April 2004	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	0	0	0	0	0,0
Levels 3-5	71	2	2,8	50	70,4
Levels 6-8	571	51	8,9	198	34,7
Levels 9-12	220	63	28,6	26	41,3
Levels 13-16	82	3	3,7	6	7,3
Total	944	119	12,6	280	29,7

Employment equity

Table 6.1 – Total number of employees (incl. employees with disabilities) per occupational category, 31 March 2005

Occupational category	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Legislators, senior officials and managers	27	11	4	3	4	2	11	10	72
Professionals	169	131	7	5	9	8	38	65	432
Clerks	139	158	7	7	1	4	17	104	437
Plant and machine operators and assemblers	4	3	0	0	0	0	0	0	7
Elementary occupations	48	11	2	1	0	0	4	0	66
Total	387	314	20	16	14	14	70	179	1 014
Employees with disabilities	3	0	0	0	0	0	2	8	13

Table 6.2 – Total number of employees (incl. employees with disabilities) per occupational band, 31 March 2005

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	27	12	5	2	4	3	17	12	82
Professionally qualified and experienced specialists and mid-management	60	31	1	2	3	2	17	24	140
Skilled technical and academically qualified workers, junior management, supervisors, foremen	240	244	12	11	7	8	33	141	696
Semi-skilled and discretionary decision-making	47	17	1	0	0	1	2	0	68
Unskilled and defined decision-making	12	8	1	1	0	0	1	0	23
Total	387	314	20	16	14	14	70	179	1 014

Table 6.5 – Terminations

Occupational band	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Senior management (permanent)	0	0	1	0	0	0	0	0	1
Senior management (temporary)	0	0	0	0	0	0	1	0	1
Professionally qualified and experienced specialists and mid-management (permanent)	6	13	0	1	0	0	5	3	28
Professionally qualified and experienced specialists and mid-management (temporary)	4	1	0	0	0	0	0	1	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen (permanent)	13	12	1	0	1	1	1	7	36
Skilled technical and academically qualified workers, junior management, supervisors, foremen (temporary)	18	40	0	1	0	0	4	6	69
Semi-skilled and discretionary decision-making (permanent)	5	1	1	0					7
Semi-skilled and discretionary decision-making (temporary)	137	318	0	1	0	0	0	0	456
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	183	385	3	3	1	1	11	17	604
Employees with disabilities	1	1	0	0	0	0	0	0	2

Table 6.6 – Disciplinary action

Disciplinary action	African		Coloured		Asian		White		Total
	M	F	M	F	M	F	M	F	
Total	7	2	1	0	0	0	0	0	10



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)
Black African	640	108	16,9	553 917	5 129
Male	329	54	16,4	230 408	4 267
Female	311	54	17,4	323 509	5 991
Asian	19	10	52,6	63 726	6 373
Male	8	5	62,5	34 930	6 986
Female	11	5	45,5	28 796	5 759
Coloured	34	11	32,4	51 775	4 707
Male	20	5	25,0	20 437	4 087
Female	14	6	42,9	31 338	5 223
White	234	91	38,9	617 897	6 790
Male	63	20	31,7	166 322	8 316
Female	171	71	41,5	451 575	6 360
Employees with disabilities	16	6	37,5	37 735	6 289
Total	927	220	23,7	1 287 315	5 851

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 2004 to 31 March 2005

Salary bands	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	3	1	33,3	931	931	0,1
Levels 3-5	104	34	32,7	67 097	1 973	5,2
Levels 6-8	627	119	19,0	569 990	4 790	44,3
Levels 9-12	193	66	34,2	649 297	9 838	50,4
Total	927	220	23,7	1 287 315	5 851	100,0

Table 7.3 – Performance rewards by critical occupation, 1 April 2004 to 31 March 2005

Critical occupations	Total number of employees	Number of beneficiaries	Percentage of total	Total cost (R'000)	Average cost per employee (R)
Economists	16	4	6,3	61 945	15 486
IT Specialists	41	19	46,3	47 027	2 475
Statisticians	110	94	85,5	303 323	3 227
Total	167	117	68,3	412 296	3 524

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'000)	Average cost per employee (R)
Band A	79	0	0,0	0	0
Band B	8	0	0,0	0	0
Total	87	0	0,0	0	0

Foreign workers

Table 8.1 – Foreign workers by salary band

Salary band	1 April 2004		31 March 2005		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Levels 1-2	0	0,0	0	0,0	0	0,0
Levels 3-5	0	0,0	0	0,0	0	0,0
Levels 6-8	2	10,5	2	12,5	0	0,0
Levels 9-12	7	36,8	5	31,3	-2	66,7
Levels 13-16	10	52,6	9	56,3	-1	33,3
Total	19	100,0	16	100,0	-3	100,0

Table 8.2 – Foreign workers by major occupation

Major occupation	1 April 2004		31 March 2005		Change	
	Number	Percentage of total	Number	Percentage of total	Number	Percentage of total
Professionals	9	90,0	10	100,0	1	0,0
Information Technology	1	10,0	0	0,0	-1	0,0
Clerks	0	0,0	0	0,0	0	0,0
Total	10	100,0	10	100,0	0	0,0

Leave utilisation

These figures include both permanent and contract employees.

Table 9.1 – Sick leave, 1 January 2004 to 31 December 2004

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	130	86,9	17	1,4	8	20	113
Levels 3-5	2 474	73,3	482	40,2	5	573	1 813
Levels 6-8	3 495	70,3	532	44,4	7	1 244	2 458
Levels 9-12	608	67,9	122	10,2	5	412	413
Levels 13-16	320	85,0	45	3,8	7	548	272
Total	7 027	72,1	1 198	100,0	6	2 797	5 069

Table 9.2 – Disability leave (temporary and permanent), 1 January 2004 to 31 December 2004

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	43	100,0	1	5,3	43	7	43
Levels 3-5	63	100,0	2	10,5	32	14	63
Levels 6-8	143	93,7	13	68,4	11	53	134
Levels 9-12	0	0,0	0	0,0	0	0	0
Levels 13-16	46	100,0	3	15,8	15	80	46
Total	295	96,9	19	100,0	16	154	286

Table 9.3 – Annual leave, 1 January 2004 to 31 December 2004

Salary band	Total days taken	Average per employee	Number of employees
Levels 1-2	342	11	31
Levels 3-5	6 282	9	733
Levels 6-8	12 260	16	789
Levels 9-12	3 571	16	228
Levels 13-16	1 733	19	91
Total	24 188	13	1 872

Table 9.4 – Capped leave, 1 January 2004 to 31 December 2004

Salary band	Total days taken	Average days taken per employee	Average capped leave per employee as at 31 December 2004	Total number of days of capped leave available at 31 December 2004	Number of employees with capped leave as at 31 December 2004
Levels 1-2	2	0	0	0	0
Levels 3-5	73	2	28	1 021	37
Levels 6-8	322	2	33	7 156	220
Levels 9-12	84	1	53	9 765	186
Levels 13-16	26	1	57	3 215	56
Total	507	1	42	21 157	499

Table 9.5 – Leave payouts, 1 April 2004 to 31 March 2005

Reason	Total amount (R'000)	Number of employees	Average payment per employee (R)
Non-utilisation of leave for the previous cycle	947	185	5 119
Capped leave payouts on termination of service	1 718	638	2 693
Current leave payouts on termination of service	896	462	1 939
Total	3 561	1 285	2 771

HIV/Aids and health promotion programmes

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

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

Table 10.2 – Details of HIV/Aids and health promotion programmes

Question	Yes/No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI(E) of Chapter 1 of the Public Service Regulations, 2001? If so, provide the name and position of the particular SMS member.	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	Three full-time staff members and a budget of R1,4 million 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	Counseling and professional support, health and wellness programmes, and special programmes such as a social plan and retirement 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	There is an HIV/Aids Committee comprising Mr Magwaba (Tourism); Dr M Mafafo (SG's Office); Ms L Mantikoane (Social Statistics); Mr P Dhlamini (Human Resources); Ms C Khoza (Demographic Analysis); nine provincial members including Ms L Duduetsang (Northern Cape), Mr G Jacobs (Western Cape), Mr M Maruping (North West), Ms T Matanzima (Eastern Cape), Mr R Matsemela (Free State), Ms C Nkomo (Gauteng), Ms M Ravele (Limpopo), Mr L Sambo (Mpumalanga) and Ms I Van Zyl (KwaZulu-Natal); and two workers' union representatives including Mr M Mariri (NEHAWU) and Ms B Van Der Spuy (PSA).
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	There has been a significant review of the leave policy and practices of granting sick leave.
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	Workshops were held with staff on the HIV/Aids policy, which addresses issues of stigma, prejudice and discrimination. Posters and email messages were also used extensively to deal with these negative perceptions.
7. Does the department encourage its employees to undergo voluntary counseling and testing (VCT)? If so, list the results that you have achieved.	YES	A VCT programme was launched through posters and email. One hundred and nineteen staff members responded to the programme.
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	YES	Quantified targets are set on counseling cases closed, the number of condoms distributed, the response rate to the VCT programme, number of candidates attending workshops and the number of posters distributed.

Labour relations

Table 11.1 – Collective agreements, 1 April 2004 to 31 March 2005

None

Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2004 to 31 March 2005

Outcome of disciplinary hearings	Number	Percentage of total
Correctional counselling	0	0,0
Verbal warning	0	0,0
Written warning	1	10,0
Final written warning	6	60,0
Suspended without pay	2	20,0
Fine	0	0,0
Demotion	0	0,0
Dismissal	0	0,0
Not guilty	1	10,0
Case withdrawn	0	0,0
Money recovered	0	0,0
Total	10	100,0

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	Percentage of total
Theft / unauthorised removal	2	20,0
Alcohol abuse	0	0,0
Misuse of motor vehicle / property	0	0,0
Unauthorised absence	0	0,0
Insubordination	3	30,0
Assault	0	0,0
Misrepresentation	1	10,0
Release of incorrect statistics	1	10,0
Failure to perform assigned work	1	10,0
Gross negligence	0	0,0
Email abuse	0	0,0
Motor vehicle accidents	0	0,0
Sexual harassment	2	20,0
Total	10	100,0

Table 11.4 – Grievances lodged for the period 1 April 2004 to 31 March 2005

	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 2004 to 31 March 2005

Disputes lodged	Number	Percentage of total
Disputes upheld	0	0,0
Disputes dismissed	0	0,0
Cases pending	5	100,0
Total	5	100,0

Table 11.6 – Strike actions for the period 1 April 2004 to 31 March 2005

Total cost of working days lost	0
Amount recovered as a result of no work no pay	R 36 947,97

Table 11.7 – Precautionary suspensions for the period 1 April 2004 to 31 March 2005

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	365
Total cost of suspensions	R 698 667,00

HR oversight statistics for the period April 2004 to March 2005

Table 12.1 – Training needs identified

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	50	30	80
	Male	0	0	16	17	33
Professionals	Female	0	0	255	46	301
	Male	0	0	199	13	212
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	8	254	43	305
	Male	0	7	199	27	233
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	4	186	22	212
	Male	0	1	114	10	125
Gender sub-totals	Female	0	12	745	141	898
	Male	0	8	528	67	603
Total		0	20	1 273	416	1 501

Table 12.2 – Training provided

Occupational categories	Gender	Employment	Learnerships	Skills programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	45	28	73
	Male	0	0	16	12	28
Professionals	Female	0	0	222	46	268
	Male	0	0	187	13	200
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	8	236	43	287
	Male	0	7	167	27	201
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	4	166	22	192
	Male	0	1	114	10	125
Gender sub-totals	Female	0	12	669	139	820
	Male	0	8	484	62	554
Total		0	20	1 153	201	1 374

Injuries

Table 13 – Injury on duty

Type of injury	Number of people
Required basic medical attention only	14
Fatal	0
Total	14

Consultants

Table 14 – Report on consultant appointments using appropriated funds

Project title	Number of consultants	Contract value in Rand
Management consulting	1	444 090,79
Review of strategy and realignment of structure	2	545 452,38
Business process improvement	2	586 385,00
Outsourcing internal audit	various	37 545,34
Forensic audit	various	105 693,96
Specialised advice on communication and information management	1	656 225,51
Specialised advice on quality and methodology	3	1 029 838,81
CPI direct price collection	4	605 306,84
Mortality project	various	9 444 479,78
Legal advice – State attorney and other	various	1 077 554,85
Data management information delivery	2	164 286,47
Asset management project	various	578 379,00
Income and expenditure survey	1	142 011,33
Analysis of population statistics	1	144 459,5
Risk management strategy	various	304 698,06
Employee assistance programme	various	298 897,78
Census quality research	various	382 256,22
Assessment of methodologies for tourism statistics	1	108 733,00
Specialised analytical work	1	96 129,13
Specialised advice to HR	2	73 777,49
GIS special advice	1	1 872 226,70
Internship programme development	3	101 460,70
Pan-African Census Explorer project	2	217 522,46
Special advice and development on web mapping software – Geography	various	509 073,70
EE Policy development and strategy	2	99 453,60
Total number of projects		Total contract value in Rand
22		19 625 938,40

Section 5
AUDIT COMMITTEE REPORT

Report of the Audit Committee of Statistics South Africa for the financial year ended 31 March 2005

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2005.

Members and attendance

The Audit Committee consists of five members, namely one non-executive, three independent non-executive and one executive member. The committee has met three times during the financial year under review, in compliance with the approved terms of reference. Both internal and external auditors are permanent invitees, and have unrestricted access to bring any matter within their scope to the attention of the committee.

In November 2004 the three independent non-executive members retired at the end of their term of three years. In February 2005 one independent non-executive member was re-appointed and two new independent non-executive members were appointed. All non-executive members are now independent of Statistics SA.

Name of member	Appointed	Meetings attended
Mr TR Naidoo CA(SA), HDip(Tax)	Chair from date of reappointment in February 2005 & member previously	3
Dr H Southall BSc(Hons), MA, PhD	Chair from inception of Audit Committee until resignation in November 2004	3
Mr ZP le Roux CIA, CA(SA), ACMA, CIAB(SA)	Resigned in November 2004	2
Prof S Vil-Nkomo PhD	Resigned in November 2004 and did not take up reappointment	2
Mr SJ Thema BA, LLB	Appointed February 2005	0
Ms Z Jones MBA, MIB	Appointed February 2005	0

Responsibility

Although there was a change of membership in the financial year, the committee reports that it has complied with the responsibilities arising from Treasury Regulations TR 27.1.10 that it must:

- (a) report and make recommendations to the accounting authority;
- (b) report on the effectiveness of internal controls in the annual report of the institution;
and
- (c) comment on its evaluation of the financial statements in the annual report.

The committee has issued three previous annual reports. A full understanding of the developments, concerns and progress can be garnered by reading these reports together.

The committee has adopted appropriate formal terms of reference as its charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Recommendations to the accounting authority

During the scheduled meetings the Audit Committee assesses reports provided to it by both management and internal and external auditors and makes recommendations to the accounting authority from an oversight perspective.

The effectiveness of internal control

During the year under review internal and external auditors reported several instances of non-compliance and inefficiencies which resulted from weaknesses in the system of internal control. This exposed Stats SA to certain significant operational risks that affected its ability to meet the primary organisational mandate of statistical data collection.

The committee receives progress reports on action plans to address the identified weaknesses and has been assured by management that sufficient resources have been allocated to overcome these weaknesses. The committee is cognisant that some of the weaknesses are of a structural and behavioural nature and hence require significant corrective intervention under the executive supervision of the Statistician-General.

Evaluation of the financial statements

The Audit Committee accepts the Auditor-General's conclusions on the annual financial statements and is of the opinion that the unqualified audited annual financial statements reflect an improvement on those of the previous year. It remains concerned, however, with the weaknesses reported under the emphasis of matter, and the executive execution of the required corrective action.



TR Naidoo
Chairperson of the Audit Committee
20 September 2005



Section 6
ANNUAL FINANCIAL STATEMENTS

Management report for the year ended 31 March 2005

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

1. General review of the state of affairs

Economic statistics

Development of the new business register and the drawing of new samples on an annual basis have improved sampling and consequently the coverage of businesses for economic statistics.

Non-vat-registered businesses, which pay income tax, were included in the samples for the 2004/05 financial year. A series of parallel surveys, based on the first and second samples drawn from the new business register, were conducted over four months. Based on these changes, Stats SA was able to publish revised short-term series during May 2005.

Improvements to all economic statistics surveys enabled Stats SA to re-base and re-benchmark the GDP and to give a better indication of the growth of the economy.

Social statistics

Demand for and utilisation of the results of Census 2001 continues unabated.

The finalisation, updating and use of the new master sample for household surveys, based on enumeration areas and a mapping exercise, have been successfully concluded.

The establishment of a panel-based dataset for the analysis of changes in the labour market over time has yielded results that promise a better understanding of labour market dynamics.

Demographic statistics

The results of the Causes of Death project, which covered the period 1997 to 2003, were published during February 2005. The project involved the coding of all death certificates that were submitted by the Department of Home Affairs. The international ICD10 coding system was applied to the data, as well as to an analysis of the underlying causes of death and the compilation of a database for further analyses by users of the data.

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 R503,882 million, which included an amount of R124,607 million for the undertaking of Census 2006, was voted for the 2004/05 financial year.

Cabinet, however, took a decision on 31 March 2004 to postpone the population census to 2011 and to replace the Census planned for 2006 with a large-scale sample survey and an Address Project. A request was made in the 2004 adjustment budget for the suspension of funds that had been earmarked for the population census and an allocation of R111,146 million for the large-scale sample survey, which was subsequently named the Community Survey 2007. This was approved on condition that the Statistics Council agreed to the approach to be taken. No formal agreement was reached with the Council by the end of the 2004/05 financial year and activities were consequently concentrated on planning. This resulted in a saving of R90,753 million on the relevant budget.

The initial budget on the vote was also adjusted with a rollover of savings amounting to R10,415 million from 2003/04 in respect of a Storage Area Network (SAN) and an Asset Management System.

An amount of R0,646 million was suspended and reallocated to the Department of Public Works for the rental of seven additional regional offices.

An amount of R4,95 million had originally been provided for the Causes of Death project in the appropriation for 2004/05. A change in the scope of the project, due to additional death certificates being furnished by the Department of Home Affairs, required more funding, which was provided through the reprioritisation of activities during the adjustment budget. The actual cost was R23,3 million.

The allocated budget after the adjustment estimate was R500,190 million.

General revenue

A total amount of R1,227 million was collected on behalf of the general revenue fund.

Foreign aid assistance

An amount of R0,818 million was brought forward from the previous financial year in respect of a non-financial census of municipalities. A further amount of R1,714 million was received during this financial year. A total of R2,532 million was therefore available during the current financial year. Expenditure incurred during 2004/05 amounted to R1,087 million. An amount of R1,445 million is still available for ongoing work. The information is used as a framework by stakeholders and policy makers for planning, monitoring and evaluating the performance of municipalities in service delivery. The information is also used to measure progress on the rollout and provision of basic services.

Contract work

An amount of R6,542 million was brought forward from 2003/04 in respect of ongoing projects, which consisted of a transport survey, an agricultural census and statistics for the Joint Building Contractors Committee (JBCC).

Information from the transport survey is used for traffic management. The information from the agriculture census will be used for Gross Domestic Product (GDP) benchmarking because agriculture contributes approximately 3,2% of the GDP. The consumer price index and production price index are used to calculate the JBCC index, which assists the building industry with the pricing of building contracts.

A further amount of R6,303 million was received during this financial year. A total of R12,845 million was available for the specific projects. Expenditure of R4,850 million was incurred during the financial year. An amount of R0,270 million was transferred to revenue. The balance of R7,724 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:

Industry and Trade Statistics

- Statistical information on industry-related activities in the primary, secondary, tertiary, services and transport sectors of the economy.

Employment and Price Statistics

- Statistical information on the composition and characteristics of the workforce in the formal non-agricultural business sector.
- Statistics on various goods and services to monitor price changes.

Financial Statistics

- Financial statistics on national, provincial and local government and on the private sector.

Social Statistics

- General household survey information on living conditions of South Africans.
- Statistics on labour market dynamics, which include employment and unemployment.

Demographic Analysis

- Thematic reports on fertility, mortality, migration and nuptiality, as well as population projections and estimates.

Health and Vital Statistics

- Statistical information on births, deaths, marriages and divorces, tourism and migration.

Integrative Analysis

- Narrative and graphic reports on the labour market, health and education, analysing and integrating findings from various databases.

National Accounts

- Data about the level of economic activity within a coherent system of concepts and classifications.
- Statistics on quarterly GDP estimates, annual GDP estimates, natural resource accounts and supply and use tables.

Tariff policy

The Department disseminates approximately ninety-eight per cent of its statistics through its website on the Internet 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. Exceptions are where costs not provided for in the core budget of Stats SA are incurred in servicing user requests. Special requests involving activities not catered for in the core budget are charged for at a rate of R300 per hour.

Inventories

Inventories are issued at cost. The following are the main stock categories and the values at the end of the financial year:

Stationery	R606 116
Other consumables	R89 861
Parts and maintenance	R20 480
Domestic consumables	R1 215

3. Capacity constraints

The Department currently makes use of temporary staff to undertake fieldwork on the various field surveys. There is however a need to establish a permanent structure to manage the fieldwork. With this in view, the Department has been establishing regional offices where permanent staff will be employed. There are currently 30 offices in place.

Certain core statistical skills are lacking in the Department. These skills are also not readily available in the labour market in South Africa. Stats SA has consequently been utilising the expertise of foreign statistical agencies, namely from Australia, Sweden and Canada in order to assist in the improvement of methodologies and to transfer skills that are lacking in Stats SA. This expertise has especially been used intensively in the area of economic statistics. A key challenge facing the country is the development of an extensive cadre of statistically competent government officials. Stats SA has therefore

started an internship programme and it is planned that sixty graduates will be recruited during the 2005/06 financial year for training on official statistics. An e-learning system will make training programmes available to officials in other departments.

The Department has continued to experience numerous problems 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 once again particularly pronounced when closing the books of account and compiling the financial statements for 2004/05. The Logis system was often offline and this delayed the processing of orders and payments. These systems are mandatory and the Department is prohibited from seeking alternatives.

4. Corporate governance arrangements

An electronic asset management system was implemented during the financial year. It was still at the testing stage at financial year-end and will become fully operational during 2005/06. This system makes use of bar coding to identify and track assets. Assets on all premises occupied by the Department have been bar coded and registered on the system's database.

A project for business process improvement was initiated. The first phase of the project, which mapped the current processes, was completed during December 2004. Planning for the second phase, which will include the redesign of processes, started during February 2005. The design will include the benchmarking of best practices and will seek to eliminate weaknesses in internal controls. A change management strategy forms an inherent part of this project.

A departmental risk management strategy and a policy were approved during the financial year. Implementation of the strategy is overseen by a risk management steering committee, composed of executive managers, who represent different parts of the organisation. Managers have however experienced difficulties in identifying meaningful risk controls and implementing these. It had consequently been necessary to outsource risk management expertise to provide assistance in this regard.

A large number of officials on management level were exposed to a course on the Public Finance Management Act to enable them to be more aware of legislative requirements regarding compliance.

The term of membership of the members of the Audit Committee that existed at the beginning of the financial year came to an end during 2004. A new Committee has consequently been constituted.

The Department is currently reviewing the overall procedures on procurement and contract management, to ensure that all matters raised in the various management letters emanating from the audit for the 2004/05 financial year will be addressed.

As part of the process, at the beginning of the 2005/06 financial year, the Department strengthened the procurement component through the establishment of a credit control section, and the recruitment of a contract administrator. Further endeavours to enhance capacity in the next financial year (2006/07) will be undertaken, with due consideration to the various projects and additional responsibilities.

The matter raised in respect of the procurement of software and related licences has been conclusively dealt with during the 2005/06 financial year.

The interest payment made, raised in the management letters, relates to a payment made in trust in an ongoing litigation case to avert further possible expenditures. To date, the litigation process has not been finalised.

The established structures within the Department will ensure the accuracy of specifications and contract terms and that conditions are adhered to.

In the 2003/04 audit, the Department was qualified on the basis of inadequate employment records and the inability to verify the reconciliations due to late submissions. The reconciliation between the South African Revenue Service and Statistics South Africa in respect of tax payments have now been concluded and the Department has been refunded.

5. Discontinued activities

A census of agriculture was completed during 2004/05. This will be replaced by a survey on agriculture during 2005/06 and will be financed by the Department of Agriculture.

6. New/proposed activities

In line with international best practice, the direct collection of prices from retail outlets for the CPI will replace the present method of collecting information on prices through a postal questionnaire.

Data for the income and expenditure survey will be collected according to a diary method that comprises a year-long study. This survey forms the basis for obtaining the weights for the basket of goods and services of the CPI.

Information on the first (formal) economy is sufficiently developed. Information on the second economy is scanty and fragmented. Stats SA will be running a survey during 2005/06 to assess the value of the second economy in terms of employment creation and contribution to the GDP.

The annual GDP calculations will be based on the income approach during November 2006. This will be compared to the quarterly GDP calculations that are based on the production approach.

A large-scale sample survey of households (Community Survey 2007) is presently being designed to replace Census 2006. A selection of 10 households in each of approximately 17 000 enumeration areas will be covered in the survey. The information from this survey will be disaggregated to municipal level.

Stats SA is developing a data warehouse as a depository for all datasets over which the Statistics Act has jurisdiction. The current focus is on datasets that Stats SA is currently producing. Quality measures such as standardised definitions, metadata and version control will be an inherent part of the system.

Stats SA will be hosting a Conference of Commonwealth Statisticians, to be attended by delegates from more than seventy countries, during September 2005. Discussions will focus on measurement for a more equitable society.

7. Standing Committee on Public Accounts (SCOPA) resolutions

a) Performance of the Chief Financial Officer (CFO)

Performance contracts with senior managers

Performance contracts were entered into with senior managers during the 2003/04 financial year subsequent to the SCOPA hearing.

Performance contracts for 2004/05 in respect of senior management were signed during April 2004. Performance plans for all other staff members, linked to the performance contracts of senior management, were completed on 17 May 2004.

The periods of performance assessments are aligned to financial years so that financial performance becomes an integral part of managers' performance appraisals.

Duties relating to the effective financial management of the department

The departmental budget has been allocated among budget responsibilities. Each budget manager is held responsible via written delegations and accompanying responsibilities. Budget managers are responsible for approving expenditure on their specific budget allocations. Various committees were established to monitor and control all expenditure related to purchases and payments thereof.

b) Invalid expenditure in respect of professional and special services

The problems in respect of invalid fieldworkers expenditure are being addressed before the next census by ensuring that trained staff and proper and effective infrastructure are available at provincial and regional levels. Regional offices were previously only utilised during a census. The Department is however now establishing a core number of permanent regional offices. Human resource and financial functions are to be gradually decentralised to provincial offices so that the necessary capacity and infrastructure can be developed before the next census. Processes are to be implemented, utilised and tested during the field surveys, the census of dwellings and the three-yearly extended household surveys. The core permanent regional offices are to be supplemented by temporary regional offices during a census. The necessary information systems and networks will be established and tested before the next census.

c) Advances to provinces

An outstanding amount of R1 294 920,13 was consequently written off as a loss against voted funds. It is intended to make persons trained in financial administration available at provincial and regional levels during future censuses. A project to decentralise certain financial functions to the provincial and regional offices and to build capacity to strengthen the financial expertise and capability in these offices is in progress.

d) Human resource management

The corrective steps taken to ensure an effective functioning of the HR division

i) *Staffing*: The following posts were filled and these will contribute to strengthening the HR division:

- Deputy Director-General: Organisation and Management from 1 January 2004
- Executive Manager: HRM from 1 September 2002
- One post of a human resource professional in each of the nine provincial offices during 2003
- Manager: Planning and Reporting from 1 November 2003.

ii) *HR strategy*: An HR strategy was compiled and implemented on 1 April 2004. It spells out a vision, mission and values regarding all HR matters for the organisation. It also reflects 16 HR plans committing the HR division to short, medium and long-term objectives. This will result in improved functioning of the division.

iii) *HRM business plans*: The HR business plans for the 2004/2005 financial year resulted in improved service delivery.

iv) *HR delegations*: The HR delegations in terms of the Public Service Act, 1994, and Public Service Regulations have been compiled and submitted to the Minister of Finance for approval. The HR delegations will establish responsibilities and accountability in respect of decisions taken on HR matters. It will also give structure to HR processes and procedures.

v) *HR policies*: Progress was made in developing HR policies. From the 19 main HR policies, nine have been approved, five are in a final draft format and five must still be developed.

vi) *HR projects*: HR projects have been identified and prioritised as follows:

Order of priority	Project title
1	Recruitment planning
2	HRM benefit administration
3	Remuneration
4	Employee relations
5	Labour relations
6	HR planning and reporting
7	Executive Manager
8	Capacity building in provincial and regional offices regarding HR practices

vii) *Assessment of the HR division*: As part of the performance assessment, the HR division will also be assessed. This is also a control measure that will serve as an indicator of the HR division's performance.

Time frames for implementing recommendations arising from recent audits conducted on HR management

Subsequent to recent audits, recommendations were made about specific HR activities. They are mentioned in the following table with time frames also mentioned below.

HR activity	Timeframe
Develop and implement an HR strategy	1 November 2003 to 31 May 2004
Develop and implement HR delegations	1 November 2003 to 31 May 2004
Develop and implement HR policies	1 November 2003 to 31 March 2005
Job evaluations and job descriptions	This is an ongoing process. The progress is that 95% of jobs have been evaluated and have generic job descriptions.
Recruitment must be in compliance with legislation	1 April 2004 to 31 March 2005
Improved record keeping	1 November 2003 to 31 July 2004
Procedure regarding appointment of consultants	1 November 2003 to 30 June 2004
Employment contract management	1 April 2004 to 31 March 2005
Workflow between HRM, Finance and provincial offices	1 April 2004 to 31 March 2005
Training line managers on labour relations	1 June 2004 to 31 March 2005

As at 15 April 2004, of 201 audit recommendations/findings, 99 have been resolved. The remaining 102 are all being attended to and relate mainly to employee benefit administration. The problem issues regarding employee benefit administration will be resolved with the implementation of appropriate policies, e.g. leave policy with its necessary delegations. Presently the final draft of the leave policy is being consulted with the unions.

e) Audit Committee report

The accounting officer has noted the concerns and the recommendations of the Committee.

f) Unauthorised expenditure

The Standing Committee on Public Accounts has recommended that the amount of R158 135 000 be authorised by Parliament. National Treasury is awaiting a response from Parliament regarding the finalisation of this matter.

Expenditure is monitored on a regular basis. The over-expenditure that occurred during the 2001/02 financial year was due solely to the high costs that had to be incurred during the census enumeration. The National Treasury and the Executive Authority had been informed of the impending over-expenditure before it had actually occurred in accordance with the requirement of section 39(2)(b) of the Public Finance Management Act.

No over expenditure has occurred subsequent to this event.

g) Delay in audit report

Comments by the committee were noted.

h) Computer audits

An information system audit on the general controls surrounding the IT environment was completed in November 2003. Further weaknesses were identified and the accounting officer has indicated that corrective steps will be taken on actions envisaged to address the control weaknesses

i) Management and planning: Census 2006

The next census is planned for the year 2011. The Department's intentions are to develop and test methodologies, which will eventually be used during the next census, and to build infrastructure and capacity. This will be done during the intervening period through household surveys, as well as during the census of dwellings and an extended annual household survey that will be undertaken over three years in accordance with a Cabinet decision. The concerns of the Committee will be taken into account and will be addressed during the planning and testing processes.

j) Dissemination and marketing trading account

The Dissemination and Marketing Trading Account has been closed and all assets have been transferred to the Department and taken on record.

8. Other

Prior-year amounts have been restated to be in line with the Standard Chart of Accounts (SCOA) as implemented in the 2004/05 financial year.

Advances and expenditure on work carried out in respect of paying users have been treated as funds emanating from local aid on the advice of the National Treasury because no provision for such expenditure was made in the National Treasury templates.

Approval

The annual financial statements set out on pages 89-124 have been approved by the Accounting officer.



P J Lehohla
Statistician-General (Accounting officer)
31 May 2005

**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 2005

1. Audit assignment

The financial statements as set out on pages 89 to 124, for the year ended 31 March 2005, 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 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004). 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.

The audit was completed in accordance with Auditor-General Directive No. 1 of 2005.

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 Statistics South Africa at 31 March 2005 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999).

4. Emphasis of matter

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

4.1 Procurement and contract management

Various procedures and controls relating to the procurement of goods and services should be strengthened. Matters which raised concerns in the current year included the following:

4.1.1 Expenditure incurred in contravention of tender procedures

In my report for the year ended 31 March 2004 [RP 163/2004, page 96, paragraph 3.1], I reported that State Tender Board regulations had not been complied with in the procurement of certain software and related licences. In the current year, additional payments of some R 3,2 million were made in respect of the renewal of these licences.

4.1.2 Cancellation of contract

During the year, the department paid interest of some R 1,4 million on a contract that was cancelled due to non-performance by the contractor. The department is still a defendant in a case as disclosed in note 22 to the annual financial statements. Whilst the full amount owing to the contractor had been withheld for several years, an amount of some R2,8 million in respect of undisputed invoices was subsequently paid together with the above-mentioned interest thereon.

4.1.3 Variation in contract terms

Although it had not been specified in a consultant's contract that the agreed monthly remuneration would be net of tax deductions, the department made up the difference which amounted to R 587 476. It is important that contracts clearly specify all the relevant terms and conditions to obviate potential disputes.

4.1.4 Delegation of authority

In my report for the year ended 31 March 2004 [RP 163/2004, page 97, paragraph 5.2.1], I reported that there were no specific delegations to staff in the finance and provisioning sections. In the current year, contract payments of approximately R 5 million were made without the necessary delegations for approving contract payments.

4.2 Irregular expenditure

Irregular expenditure of R16,1 million and R12,3 million which related to the 2003 and 2004 years respectively, was reported in my previous report [RP 163/2004, page 96] and has not been condoned.

4.3 Asset registers

In my report for the year ended 31 March 2004 [RP 163/2004, page 97, paragraph 3.3], I reported that separate asset registers were kept for office equipment and computers and related equipment.

The department has now implemented a combined asset register. However, the additions per the asset register exceeded the amount disclosed in the financial statements by R 1,5 million.

4.4 Internal control

Various internal control weaknesses were identified and brought to the attention of the accounting officer. The following serve as examples:

4.4.1 Internal audit recommendations

In my report for the year ended 31 March 2004 [RP 163/2004, page 98, paragraph 5.2.2], I reported that the implementation of internal audit recommendations should be expedited. Whilst progress is being made, a significant number still warrant attention.

4.4.2 Leave controls

Leave forms were not always on file to substantiate leave taken, whilst in some instances, the actual leave taken was incorrectly captured.

4.5 Risk management plan

I reported in the prior year that a risk management strategy as required by Treasury Regulation 3.2.1 had not been compiled. Whilst a broad risk management strategy has now been completed, a detailed risk management plan identifying the risks for each operational area within the organisation has not been developed. The department indicated that progress has been made and that this will be addressed in the new financial year.

4.6 Creditors payments

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 R 1,6 million included in the audit sample were not paid within the prescribed period. An amount of R 4,0 million was reported in respect of the prior year.

4.7 Tax deductions

In my report for the year ended 31 March 2004 [RP 163/2004, page 97, paragraph 5.1], I reported that I was unable to verify the validity and accuracy of the SITE/PAYE deductions and tax payments to SARS, mainly in respect of temporary census staff, due to the late submission of the reconciliation and supporting documents. I could not verify these deductions due to inadequate employment information.

4.8 Audit committee

The audit committee was not in existence for the full year. The contract terms of the members had expired on 3 August 2004 and a new committee was only appointed on 23 February 2005. Only 2 out of the required 3 members have signed their contracts to date.

4.9 Resubmission of annual financial statements

The original financial statements were submitted on 31 May 2005. Due to material audit findings these financial statements were amended and resubmitted on 10 August 2005.

4.10 Information systems audit of the network security within the IT environment

In a review of network security involving both external and internal penetration tests, the network environment was found to be inadequately protected. The root cause of the weaknesses identified was the absence of procedures. The most significant weaknesses identified were as follows:

- The inadequately implemented network architecture allowed all internal network users full visibility of some internal systems. As a result, some of the internal systems were exposed to internal attack as well as to widespread virus infection.
- Passwords were easy to compromise and a number of powerful network facilities were inadequately protected and could be used to gain unauthorised access to some information on the systems.

Statistics SA in their response indicated that the weaknesses and vulnerabilities, pertaining to both internal and external access to systems, have been addressed. This has yet to be audited.

5. Appreciation

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



G O Randall
for Auditor-General

Pretoria
08/09/05

Statement of accounting policies and related matters for the year ended 31 March 2005

The annual financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the annual financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2004. The following issued, but not yet effective Standards of Generally Recognised Accounting Practice have not been fully complied with in the annual financial statements: GRAP 1, 2 and 3.

1. Basis of preparation

The annual 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 disclosure items. 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

Appropriated funds

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

Departmental revenue

Tax revenue

A tax receipt is defined as compulsory, irrecoverable revenue collected by entities. Tax receipts are recognised as revenue in the statement of financial performance on receipt of the funds.

Sale of goods and services other than capital assets

This comprises the proceeds from the sale of goods and/or services produced by the entity. Revenue is recognised in the statement of financial performance on receipt of the funds.

Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory receipts imposed by a court or quasi-judicial body. Revenue is recognised in the statement of financial performance on receipt of the funds.

Interest, dividends and rent on land

Interest and dividends received are recognised upon receipt of the funds, and no provision 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 statement of financial performance of the department and then transferred to the National/Provincial Revenue Fund.

Revenue received from the rent of land is recognised in the statement of financial performance on receipt of the funds.

Sale of capital assets

The proceeds from the sale of capital assets is recognised as revenue in the statement of financial performance on receipt of the funds.

Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from revenue.

Local and foreign aid assistance

Local and foreign aid assistance is recognised in the statement of financial performance on receipt of funds. Where amounts are expensed before funds are received, a receivable is raised. Where amounts have been inappropriately expensed using local and foreign aid assistance, a payable is raised. In the situation where the department is allowed to retain surplus funds, these funds are shown as a reserve.

3. Expenditure*Compensation of employees*

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expenditure is classified as capital where the employees were involved, on a full-time basis, on capital projects during the financial year. All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system.

Short-term employee benefits

The cost of short-term employee benefits is expensed in the statement of financial performance in the reporting period when the final authorisation for payment is effected on the system. Short-term employee benefits, that give rise to a present legal or constructive obligation, are disclosed as a disclosure note to the annual financial statements and are not recognised in the statement of financial performance.

Long-term employee benefits and other post-employment benefits

Termination benefits: Termination benefits are recognised and expensed only when the final authorisation for payment is effected on the system.

Medical benefits: The department provides medical benefits for its employees through defined benefit plans. Employer contributions to the fund are incurred when the final authorisation for payment is effected on the system. No provision is made for medical benefits in the annual financial statements of the department.

Post-employment retirement benefits: The department provides retirement benefits for certain of 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 the final authorisation for payment to the fund is effected on the system. No provision is made for retirement benefits in the annual financial statements of the department. Any potential liabilities are disclosed in the annual financial statements of the National/Provincial Revenue Fund and not in the annual financial statements of the employer department.

Other employee benefits

Obligations arising from leave entitlement, thirteenth cheque and performance bonus that are reflected in the disclosure notes have not been paid for at year-end.

Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. The expense is classified as capital if the goods and services were used on a capital project.

Interest and rent on land

Interest and rental payments resulting from the use of land are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system. This item excludes rental on the use of buildings or other fixed structures.

Financial transactions in assets and liabilities

Financial transactions in assets and liabilities include bad debts written off. Debts are written off when identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending available to the department. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts.

Unauthorised expenditure

Unauthorised expenditure is defined as:

- 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.

Such expenditure is treated as a current asset in the statement of financial position until such expenditure is approved by the relevant authority, recovered or written off as irrecoverable.

Irregular expenditure

Irregular expenditure is defined as:

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

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

It is treated as expenditure in the statement of financial performance. If such expenditure is not condoned and it is possibly recoverable it is disclosed as receivable in the statement of financial position at year-end.

Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as:

Expenditure that was made in vain and would have been avoided had reasonable care been exercised, therefore

- it must be recovered from a responsible official (a debtor account should be raised), or
- the vote (if responsibility cannot be determined).

Such expenditure is treated as a current asset in the statement of financial position until such expenditure is recovered from the responsible official or written off as irrecoverable.

4. Transfers and subsidies

Transfers and subsidies include all irrecoverable payments made by the entity. Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system.

5. Expenditure for capital assets

Capital assets are assets that can be used repeatedly and continuously in production for more than one year. Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system.

6. Investments

Investments include investments in associates, joint ventures, investments in controlled entities and other investments.

Investments are shown at cost. On disposal of an investment, the surplus/(deficit) is recognised as revenue in the statement of financial performance.

7. Receivables

Receivables are not normally recognised under the modified cash basis of accounting. However, receivables included in the statement of financial position arise from cash payments that are recoverable from another party, when the payments are made.

Receivables for services delivered are not recognised in the statement of financial position as a current asset or as income in the statement of financial performance, as the annual financial statements are prepared on a modified cash basis of accounting, but are disclosed separately as part of the disclosure notes to enhance the usefulness of the annual financial statements.

8. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, short-term investments in money market instruments and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Payables

Payables are not normally recognised under the modified cash basis of accounting. However, payables included in the statement of financial position arise from advances received that are due to the Provincial/National Revenue Fund or another party.

10. Lease commitments

Lease commitments for the period remaining from the reporting date until the end of the lease contract are disclosed as part of the disclosure notes to the annual financial statements. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as the annual financial statements are prepared on the cash basis of accounting. Operating lease expenditure is expensed when the payment is made.

Finance lease expenditure is expensed when the payment is made, but results in the acquisition of the asset under the lease agreement. A finance lease is not allowed in terms of the Public Finance Management Act.

11. Accruals

This amount represents goods/services that have been received, but no invoice has been received from the supplier at the reporting date, or an invoice has been received but final authorisation for payment has not been effected on the system. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as the annual financial statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

12. Contingent liability

This is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or a present obligation that arises from past events but is not recognised because:

- it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position, but the information is disclosed as part of the disclosure notes.

13. Commitments

This amount represents goods/services that have been approved and/or contracted, but no delivery has taken place at the reporting date. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as the financial statements are prepared on a modified cash basis of accounting, but are however disclosed as part of the disclosure notes.

14. Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investment and/or loans capitalised. On disposal, repayment or recovery, such amounts are transferred to the Revenue Fund.

15. Recoverable revenue

Recoverable revenue represents payments made and recognised in the statement of financial performance 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.

16. Comparative figures

Where necessary, comparative figures have been restated to conform to the changes in the presentation in the current year. The comparative figures shown in these annual financial statements are limited to the figures shown in the previous year's audited annual financial statements and other comparative figures that the department may reasonably have available for reporting. Reclassification of expenditure has occurred due to the implementation of the Standard Chart of Accounts. It is not practical to present comparative amounts in the cash flow statements, as this would involve reclassification of amounts dating back to the 2002/03 year-end.

Appropriation Statement for the year ended 31 March 2005

Appropriation per programme

Programme	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Administration									
Current payment	93 848	-	-	93 848	75 698	18 150	80,7	63 494	61 901
Transfers and subsidies	182	-	-	182	167	15	91,8	335	292
Expenditure for capital assets	6 104	-	-	6 104	1 791	4 313	29,3	5 787	3 275
Economic and Social Statistics									
Current payment	98 186	-	(33)	98 153	91 456	6 697	93,2	71 248	70 232
Transfers and subsidies	163	-	33	196	197	(1)	100,5	465	159
Expenditure for capital assets	4 008	-	-	4 008	1 352	2 656	33,7	3 301	2 909
Population Census and Statistics									
Current payment	135 686	-	-	135 686	49 612	86 074	36,6	32 664	33 705
Transfers and subsidies	144	-	-	144	86	58	59,7	173	71
Expenditure for capital assets	5 952	-	-	5 952	739	5 213	12,4	1 227	517
Quality and Integration									
Current payment	30 556	-	-	30 556	20 947	9 609	68,6	22 043	18 139
Transfers and subsidies	63	-	-	63	52	11	82,5	54	41
Expenditure for capital assets	1 856	-	-	1 856	972	884	52,4	1 606	1 324
Statistical Support and Informatics									
Current payment	107 089	-	-	107 089	96 620	10 469	90,2	77 576	81 367
Transfers and subsidies	232	-	-	232	366	(134)	157,8	128	192
Expenditure for capital assets	16 121	-	-	16 121	9 062	7 059	56,2	13 783	6 811
Subtotal	500 190	-	-	500 190	349 117	151 073	69,8	293 884	280 935
Statutory appropriation									
Current payments	-	-	-	-	-	-	0,0	-	-
Transfers and subsidies	-	-	-	-	-	-	0,0	-	-
Payment for capital assets	-	-	-	-	-	-	0,0	-	-
Total	500 190	-	-	500 190	349 117	151 073	69,8	293 884	280 935

Reconciliation with the statement of financial performance

Prior-year unauthorised expenditure approved with funding	-	-
Departmental receipts	1 227	2 636
Local and foreign aid assistance	8 016	23 334
Actual amounts with the statement of financial performance (total revenue)	509 433	319 854
Investments acquired and capitalised during the current financial year – expensed for appropriation purposes	-	-
Other payments in the appropriation statement, not accounted for in the statement of financial performance	-	-
Local and foreign aid assistance	6 208	22 717
Prior-year unauthorised expenditure approved	-	-
Prior-year fruitless and wasteful expenditure condoned	-	-
Actual amounts per statement of financial performance expenditure	355 325	303 652

Appropriation per economic classification

Economic classification	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments									
Compensation to employees	240 589	-	(168)	240 421	195 051	45 370	81,1	159 745	154 711
Goods and services	224 776	-	-	224 776	137 796	86 980	61,3	107 280	109 238
Interest and rent on land	-	-	-	-	1 380	(1 380)	0,0	-	-
Financial transactions in assets and liabilities	-	-	-	-	106	(106)	0,0	-	2 199
Transfers and subsidies									
Provinces and municipalities	710	-	30	740	642	98	86,8	1 119	526
Non-profit institutions	-	-	-	-	-	-	0,0	-	-
Households	74	-	138	212	226	(14)	106,6	36	229
Payment on capital assets									
Machinery and equipment	29 857	-	-	29 857	13 036	16 821	43,7	18 034	8 226
Software and other intangible assets	4 184	-	-	4 184	880	3 304	21,0	7 670	5 806
Total	500 190	-	-	500 190	349 117	151 073	69,8	293 884	280 935

Detail per programme 1 - Administration for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Management									
Current payment	34 590	-	-	34 590	22 197	12 393	64,2	18 501	17 550
Transfers and subsidies	57	-	-	57	46	11	80,7	241	182
Expenditure for capital assets	721	-	-	721	516	205	71,6	2 283	1 155
Corporate Services									
Current payment	59 258	-	-	59 258	53 501	5 757	90,3	44 993	44 351
Transfers and subsidies	125	-	-	125	121	4	96,8	94	110
Expenditure for capital assets	5 383	-	-	5 383	1 275	4 108	23,7	3 504	2 120
Total	100 134	-	-	100 134	77 656	22 478	77,6	69 616	65 468

Economic classification	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current payments									
Compensation to employees	54 467	-	-	54 467	46 806	7 661	85,9	40 458	37 812
Goods and services	39 381	-	-	39 381	28 785	10 596	73,1	23 036	24 893
Interest and rent on land	-	-	-	-	1	(1)	0,0	-	-
Financial transactions in assets and liabilities	-	-	-	-	106	(106)	0,0	-	-
Transfers and subsidies									
Provinces and municipalities	169	-	-	169	144	25	85,2	325	118
Households	13	-	-	13	23	(10)	176,9	10	174
Payments for capital assets									
Machinery and equipment	5 907	-	-	5 907	1 781	4 126	30,2	5 703	2 443
Software and other intangible assets	197	-	-	197	10	187	5,1	84	28
Total	100 134	-	-	100 134	77 656	22 478	77,6	69 616	65 468

Detail per programme 2 - Economic and Social Statistics for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Industry and Trade Statistics									
Current payment	18 820	-	-	18 820	16 207	2 613	86,1	14 053	14 133
Transfers and subsidies	43	-	-	43	41	2	95,3	39	42
Expenditure for capital assets	1 256	-	-	1 256	484	772	38,5	1 437	1 083
Employment and Price Statistics									
Current payment	27 382	-	(16)	27 366	22 859	4 507	83,5	19 148	18 830
Transfers and subsidies	35	-	16	51	51	-	100,0	44	36
Expenditure for capital assets	2 018	-	-	2 018	654	1 364	32,4	1 150	1 490
Financial Statistics									
Current payment	13 678	-	-	13 678	11 547	2 131	84,4	10 157	9 057
Transfers and subsidies	32	-	-	32	31	1	96,9	30	25
Expenditure for capital assets	425	-	-	425	99	326	23,3	420	199
Social Statistics									
Current payment	38 306	-	(17)	38 289	40 843	(2 554)	106,7	27 890	28 212
Transfers and subsidies	53	-	17	70	74	(4)	105,7	352	56
Expenditure for capital assets	309	-	-	309	115	194	37,2	294	137
Total	102 357	-	-	102 357	93 005	9 352	90,9	75 014	73 300

Economic classification	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current									
Compensation to employees	51 649	-	(33)	51 616	47 743	3 873	92,5	35 832	37 530
Goods and services	46 537	-	-	46 537	43 713	2 824	93,9	35 416	32 702
Transfers and subsidies									
Provinces and municipalities	158	-	30	188	189	(1)	100,5	465	152
Households	5	-	3	8	8	-	100,0	-	7
Capital									
Machinery and equipment	3 967	-	-	3 967	1 337	2 630	33,7	3 237	2 909
Software and other intangible assets	41	-	-	41	15	26	36,6	64	-
Total	102 357	-	-	102 357	93 005	9 352	90,9	75 014	73 300

Detail per programme 3 - Population Census and Statistics for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Population Census									
Current payment	105 638	-	-	105 638	20 096	85 542	19,0	23 692	25 745
Transfers and subsidies	89	-	-	89	27	62	30,3	147	51
Expenditure for capital assets	5 419	-	-	5 419	266	5 153	4,9	666	369
Demographic Analysis									
Current payment	3 078	-	-	3 078	2 479	599	80,5	3 355	2 146
Transfers and subsidies	5	-	-	5	6	(1)	120,0	9	6
Expenditure for capital assets	118	-	-	118	63	55	53,4	119	73
Health and Vital Statistics									
Current payment	26 970	-	-	26 970	27 037	(67)	100,2	5 617	5 814
Transfers and subsidies	50	-	-	50	53	(3)	106,0	17	14
Expenditure for capital assets	415	-	-	415	410	5	98,8	442	75
Total	141 782	-	-	141 782	50 437	91 345	35,6	34 064	34 293

Economic classification	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current									
Compensation to employees	46 661	-	-	46 661	23 844	22 817	51,1	17 598	17 183
Goods and services	89 025	-	-	89 025	24 389	64 636	27,4	15 066	14 323
Interest and rent on land					1 379	(1 379)			
Financial transactions in assets and liabilities	-	-	-	-	-	-	0,0	-	2 199
Transfers and subsidies									
Provinces and municipalities	144	-	-	144	86	58	59,7	173	68
Households	-	-	-	-	-	-	0,0	-	3
Capital									
Machinery and equipment	5 822	-	-	5 822	733	5 089	12,6	1 080	517
Software and other intangible assets	130	-	-	130	6	124	4,6	147	-
Total	141 782	-	-	141 782	50 437	91 345	35,6	34 064	34 293

Detail per programme 4 - Quality and Integration for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Quality and Methodology									
Current payment	9 059	-	-	9 059	7 364	1 695	81,3	5 641	5 101
Transfers and subsidies	22	-	-	22	20	2	90,9	15	12
Expenditure for capital assets	870	-	-	870	610	260	70,1	869	354
Integrative Analysis									
Current payment	5 257	-	-	5 257	3 033	2 224	57,7	2 874	2 812
Transfers and subsidies	13	-	-	13	8	5	61,5	8	8
Expenditure for capital assets	312	-	-	312	140	172	44,9	86	90
National Accounts									
Current payment	6 865	-	-	6 865	6 129	736	89,3	5 453	4 875
Transfers and subsidies	13	-	-	13	16	(3)	123,1	18	14
Expenditure for capital assets	151	-	-	151	82	69	54,3	330	339
Human Capital Development									
Current payment	9 375	-	-	9 375	4 421	4 954	47,2	8 075	5 351
Transfers and subsidies	15	-	-	15	8	7	53,0	13	7
Expenditure for capital assets	523	-	-	523	140	383	26,8	321	541
Total	32 475	-	-	32 475	21 971	10 504	67,7	23 703	19 504

Economic classification	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current									
Compensation to employees	23 165	-	-	23 165	17 013	6 152	73,4	14 866	13 870
Goods and services	7 391	-	-	7 391	3 934	3 457	53,2	7 177	4 269
Transfers and subsidies									
Provinces and municipalities	63	-	-	63	52	11	82,5	54	41
Capital									
Machinery and equipment	1 647	-	-	1 647	744	903	45,2	1 606	1 324
Software and other intangible assets	209	-	-	209	228	(19)	109,1	-	-
Total	32 475	-	-	32 475	21 971	10 504	67,7	23 703	19 504

Detail per programme 5 - Statistical Support and Informatics for the year ended 31 March 2005

Programme per subprogramme	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Geography									
Current payment	7 564	-	-	7 564	6 638	926	87,8	9 088	6 458
Transfers and subsidies	7	-	-	7	13	(6)	185,7	10	11
Expenditure for capital assets	775	-	-	775	812	(37)	104,8	1 152	120
System of Registers									
Current payment	11 225	-	-	11 225	10 455	770	93,1	6 866	6 156
Transfers and subsidies	29	-	-	29	27	2	93,1	19	18
Expenditure for capital assets	495	-	-	495	429	66	86,7	645	397
Information and Communication Technology									
Current payment	23 835	-	-	23 835	27 597	(3 762)	115,8	11 805	20 550
Transfers and subsidies	26	-	-	26	22	4	84,6	19	19
Expenditure for capital assets	12 058	-	-	12 058	6 494	5 564	53,9	8 939	5 923
Statistical Information Services									
Current payment	15 415	-	-	15 415	11 819	3 596	76,7	10 141	10 660
Transfers and subsidies	24	-	-	24	46	(22)	191,7	24	22
Expenditure for capital assets	860	-	-	860	394	466	45,8	1 409	151
Provincial Co-ordination									
Current payment	49 050	-	-	49 050	40 111	8 939	81,8	39 676	37 543
Transfers and subsidies	146	-	-	146	258	(112)	176,7	56	122
Expenditure for capital assets	1 933	-	-	1 933	933	1 000	48,3	1 638	220
Total	123 442	-	-	123 442	106 048	17 394	85,9	91 487	88 370

Economic classification	2004/05							2003/04	
	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as percentage of final appropriation %	Final appropriation R'000	Actual expenditure R'000
Current									
Compensation to employees	64 647	-	(135)	64 512	59 645	4 867	92,5	50 991	48 316
Goods and services	42 442	-	-	42 442	36 975	5 467	87,1	26 585	33 051
Transfers and subsidies									
Provinces and municipalities	176	-	-	176	171	5	97,2	102	147
Households	56	-	135	191	195	(4)	102,1	26	45
Capital									
Machinery and equipment	12 514	-	-	12 514	8 441	4 073	67,5	6 408	1 033
Software and other intangible assets	3 607	-	-	3 607	621	2 986	17,2	7 375	5 778
Total	123 442	-	-	123 442	106 048	17 394	85,9	91 487	88 370

Notes to the appropriation statement for the year ended 31 March 2005

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

Details of these transactions can be viewed in note 10 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 to the annual financial statements.

3. Details of financial transactions in assets and liabilities

Details of these transactions per programme can be viewed in note 7 to the annual financial statements.

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

4.1 Per programme	Voted funds after virement R'000	Actual expenditure R'000	Savings R'000	Savings as percentage of voted funds %
Administration	100 134	77 656	22 478	22,6
	Vacancies, furniture and equipment ordered but not delivered by the end of the financial year, provision for an IT assesment tender not entered into and a knowledge management system not procured			
Economic and Social Statistics	102 357	93 005	9 352	9,1
	Vacancies, slow roll out of the CPI development project, late pilot survey on the income and expenditure survey, as well as furniture and equipment ordered but not delivered at the end of the financial year			
Population Census and Statistics	141 782	50 437	91 345	64,4
	Population census replaced by a large-scale community survey and earmarked funds could not be utilised for it unless agreement reached between Stats SA and the Stats Council on the survey			
Quality and Integration	32 475	21 970	10 505	32,3
	Vacancies, provision for bursaries not fully spent, international consultant savings, as well as furniture ordered but not delivered by the end of the financial year			
Statistical Support and Informatics	123 442	106 048	17 394	14,1
	Vacancies, delay in opening of regional offices, tenders awarded for Geography and the data management and information delivery project not completed, furniture and equipment ordered but not delivered by the end of the financial year, which includes a disaster recovery system			

4.2 Per economic classification	R'000	
Current expenditure		
Compensation of employees	45 370	Vacancies - underspending
Goods and services	86 980	Population census, consultancies, outstanding furniture, cost related to regional offices
Interest and rent on land	(1 380)	Interest on late payments of invoices
Financial transactions in assets and liabilities	(106)	Write-offs
Unauthorised expenditure approved	-	
Transfers and subsidies		
Provinces and municipalities	80	Due to underspending on compensation to employees
Non-profit institutions	-	
Households	3	
Payments for capital assets		
Machinery and equipment	19 606	Knowledge management system, disaster recovery system, other capital equipment ordered but not delivered by the end of the financial year
Software and other intangible assets	521	Saving in capital as software licences are paid from goods and services (current)

Statement of financial performance (income statement) for the year ended 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
Revenue			
Annual appropriation	1	500 190	293 884
Departmental revenue	2	1 227	2 636
Local and foreign aid assistance	3	8 016	23 334
Total revenue		509 433	319 854
Expenditure			
Current expenditure			
Compensation to employees	4	195 051	154 711
Goods and services	5	137 796	109 238
Interest and rent on land	6	1 380	-
Financial transactions in assets and liabilities	7	106	2 199
Local and foreign aid assistance	3	5 970	22 717
Total current expenditure		340 303	288 865
Transfers and subsidies	10	868	755
Expenditure for capital assets			
Machinery and equipment	11	13 036	8 226
Software and other intangible assets	11	880	5 806
Local and foreign aid assistance	3	238	-
Total expenditure for capital assets		14 154	14 032
Total expenditure		355 325	303 652
Net surplus/(deficit) for the year		154 108	16 202
Reconciliation of net surplus/(deficit) for the year			
Voted funds to be surrendered to the Revenue Fund	15	151 073	12 949
Departmental revenue to be surrendered to the Revenue Fund	16	1 227	2 636
Local and foreign aid assistance	3	1 808	617
Net surplus/(deficit) for the year		154 108	16 202

Statement of financial position (balance sheet) at 31 March 2005

	Note	2004/05 R'000	2003/04 R'000
Assets			
Current assets		176 557	179 687
Unauthorised expenditure	8	158 072	158 072
Fruitless and wasteful expenditure	9	92	-
Cash and cash equivalents	12	6 886	186
Prepayments and advances	13	366	73
Receivables	14	11 141	21 356
Total assets		176 557	179 687
Liabilities			
Current liabilities		172 759	175 638
Voted funds to be surrendered to the Revenue Fund	15	1 883	9 018
Departmental revenue to be surrendered to the Revenue Fund	16	383	398
Bank overdraft	17	141 035	142 530
Payables	18	20 290	16 332
Local and foreign aid assistance unutilised	3	9 168	7 360
Non-current liabilities			
Payables	19	3 798	4 049
Total liabilities		176 557	179 687

Cash flow statement for the year ended 31 March 2005

	Note	2004/05 R'000
Cash flows from operating activities		
Receipts		370 165
Annual appropriated funds received	1	351 000
Departmental revenue received	2	1 227
Local and foreign aid assistance received	3	8 016
Net (increase)/decrease in working capital		9 922
Surrendered to the Revenue Fund		(10 260)
Current payments		(336 688)
Transfers and subsidies paid	10	(868)
Net cash flows available from operating activities	20	22 349
Cash flows from investing activities		
Payments for capital assets		(14 154)
Net cash flows from investing activities		(14 154)
Net increase/(decrease) in cash and cash equivalents		8 195
Cash and cash equivalents at beginning of period		(142 344)
Cash and cash equivalents at end of period		(134 149)

As per National Treasury guidelines, comparative figures have not been disclosed due to the change from the indirect method to the direct method, as this would be onerous. Comparative figures will however be disclosed again for the 2005/06 cash flow statement.

Notes to the annual financial statements for the year ended 31 March 2005

1. Annual appropriation

Included are funds appropriated in terms of the Appropriation Act for national departments (voted funds).

Programmes	Final appropriation R'000	Actual funds received R'000	Variance over/(under) R'000	Total appropriation 2003/04 R'000
Administration	100 134	78 230	21 904	69 616
Economic and Social Statistics	102 357	93 194	9 163	75 014
Population Census and Statistics	141 782	50 629	91 153	34 064
Quality and Integration	32 475	22 418	10 057	23 703
Statistical Support and Informatics	123 442	106 529	16 913	91 487
Total	500 190	351 000	149 190	293 884

A saving of R90 million on the Community Survey 2007 due to a delay in obtaining agreement from the Statistics Council mainly contributed to the variance. Other savings are due to vacant posts and the inability of suppliers to deliver on approved bids.

2. Departmental revenue to be surrendered to the Revenue Fund

Description	Note	2004/05 R'000	2003/04 R'000
Sales of goods and services other than capital assets		915	144
Interest, dividends and rent on land		49	113
Financial transactions in assets and liabilities	2.1	263	2 379
Total revenue collected		1 227	2 636

2.1 Financial transactions in assets and liabilities

Nature of loss recovered	2004/05 R'000	2003/04 R'000
Cheques written back	4	22
Material losses recovered	184	486
Other	75	1 871
	263	2 379

3. Local and foreign aid assistance

3.1 Assistance received in cash

Name of donor and purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing balance R'000
Local - Contract work				
Department of Agriculture: Census of Agriculture	2 219	-	2 219	-
Department of Agriculture: Agricultural sample survey	-	4 061	-	4 061
Department of Transport: National travel survey	4 074	-	290	3 784
Department of Transport: Trafman	(56)	159	225	(122)
Joint Building Contractors Committee	305	215	520	-
Limpopo	-	1 867	1 867	-
Foreign				
Switzerland: Non-financial local government census	789	1 714	1 087	1 416
Sweden: Various	29	-	-	29
	7 360	8 016	6 208	9 168
Analysis of balance				
Local and foreign aid receivable			-	-
Local and foreign aid unutilised			9 168	7 360
Local foreign aid payable to RDP fund/donors			-	-
Closing balance			9 168	7 360

The local aid assistance section includes amounts received from other government departments for contract projects. The remaining balance of R0,270 million in respect of the Joint Building Contractors Committee project, which has been treated as expenditure above, was actually transferred to revenue during the financial year. This amount was subtracted from the closing balance and transferred to the statement of financial position.

4. Compensation to employees

4.1 Salaries and wages

	2004/05 R'000	2003/04 R'000
Basic salary	139 966	109 642
Performance award	1 744	2 786
Service-based	1 632	1 098
Compensative/circumstantial	4 791	1 539
Periodic payments	550	493
Other non-pensionable allowances	21 657	19 691
Total salaries and wages	170 340	135 249

4.2 Social contributions

	2004/05 R'000	2003/04 R'000
Short-term employee benefits		
Pension	17 783	13 792
Medical	6 889	5 644
UIF	-	2
Bargain council	39	24
Total social contributions	24 711	19 462
Total compensation of employees	195 051	154 711
Average number of employees	1 294	1 123

5. Goods and services

	Note	2004/05 R'000	2003/04 R'000
Advertising		2 487	869
Attendance fees (including registration fees)		828	-
Bank charges and card fees		152	249
Bursaries (employees)		2 007	1 747
Communication		15 261	14 595
Computer services		20 971	23 314
Consultants, contractors and special services		25 178	21 451
Courier and delivery services		476	611
Entertainment		209	2 613
External audit fees	5.1	2 172	2 357
Equipment less than R5 000		3 233	1 467
Freight service		36	13
Honoraria (voluntary workers)		-	180
Inventory	5.2	9 147	6 188
Legal fees		519	28
Maintenance, repair and running costs		3 016	2 191
Operating leases		9 024	2 411
Personnel agency fees		9 371	-
Photographic services		16	1
Plants, flowers and other decorations		56	-
Printing and publications		742	133
Professional bodies and membership fees		105	-
Resettlement costs		342	604
Subscriptions		293	101
Owned and leasehold property expenditure		2 685	3 734
Transport provided as part of the departmental activities		-	12 107
Travel and subsistence	5.3	26 774	9 590
Venues and facilities		1 761	1 024
Training and staff development		935	1 660
Total goods and services		137 796	109 238

5.1 External audit fees

	2004/05 R'000	2003/04 R'000
Regulatory audits	2 070	2 053
Performance audits	102	21
Other audits	-	283
Total external audit fees	2 172	2 357

5.2 Inventory

	2004/05 R'000	2003/04 R'000
Other inventory	-	84
Domestic consumables	298	252
Learning and teaching support material	-	19
Food and food supplies	768	-
Fuel, oil and gas	367	-
Other consumables	39	239
Parts and other maintenance material	255	-
Sport and recreation	14	-
Stationery and printing	7 383	5 594
Medical supplies	23	-
Total inventory	9 147	6 188

5.3 Travel and subsistence

	2004/05 R'000	2003/04 R'000
Local	26 064	8 535
Foreign	710	1 055
Total travel and subsistence	26 774	9 590

6. Interest and rent on land

	2004/05 R'000	2003/04 R'000
Interest expense	1 380	-
Total interest and rent on land	1 380	-

7. Financial transactions in assets and liabilities

	Note	2004/05 R'000	2003/04 R'000
Other material losses written off	7.1	32	2 009
Debts written off	7.2	74	190
		106	2 199

7.1 Other material losses written off in statement of financial performance

Nature of losses	2004/05 R'000	2003/04 R'000
Cash unaccounted for: Census 2001	-	1 295
Vehicle accidents	30	426
Other	2	288
	32	2 009

7.2 Bad debts written off

Nature of debts written off	2004/05 R'000	2003/04 R'000
Deceased debtors and uneconomical debts	74	190
	74	190

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	2004/05 R'000	2003/04 R'000
Opening balance	158 072	158 072
Unauthorised expenditure (current year)	-	-
Unauthorised expenditure approved by Parliament/Legislature (current expenditure)	-	-
Unauthorised expenditure approved by Parliament/Legislature (expenditure for capital assets)	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	158 072	158 072

8.2 Unauthorised expenditure

Incident	Disciplinary steps taken/criminal proceedings	Total
Over-expenditure on Stats Council '96	Approved by Parliament	21
Census '96	Awaiting approval from Parliament	36 114
Census 2001	Awaiting approval from Parliament	121 937
		158 072

Amounts approved by Parliament have not yet been made available through appropriation acts.

9. Fruitless and wasteful expenditure

9.1 Reconciliation of fruitless and wasteful expenditure

	2004/05 R'000	2003/04 R'000
Opening balance	-	-
Fruitless and wasteful expenditure (current year)	-	-
Transfer of statement of financial performance – authorised losses	-	-
Transfer to receivables for recovery	92	-
Fruitless and wasteful expenditure awaiting condonement	92	-

9.2 Fruitless and wasteful expenditure

Incident	Disciplinary steps taken	2004/05 R'000	2003/04 R'000
Service procured but not rendered by CF2000	Pending disciplinary hearing	92	-
		92	-

10. Transfers and subsidies

	Note	2004/05 R'000	2003/04 R'000
Provinces and municipalities	Annexure 1	642	526
Households	Annexure 2	226	229
		868	755

National Treasury did not make provision for RSC levies and transfers to households in the set of annexures. Hence annexure 1 was used for this purpose, in agreement with National Treasury.

11. Expenditure for capital assets

	Note	2004/05 R'000	2003/04 R'000
Machinery and equipment	Annexure 4	13 036	8 226
Software and other intangible assets	Annexure 5	880	5 806
Total		13 916	14 032

12. Cash and cash equivalents

	2004/05 R'000	2003/04 R'000
Consolidated Paymaster general account	6 509	81
Cash receipts	14	-
Cash on hand	63	55
Cash with commercial banks	300	50
	6 886	186

13. Prepayments and advances

Description	2004/05 R'000	2003/04 R'000
Travel and subsistence	366	73
	366	73

14. Receivables

	Note	Less than one year	One to three years	Older than three years	2004/05 Total	2003/04 Total
Amounts owing by other entities	Annexure 6	41	7 752	128	7 921	7 910
Staff debtors	14.1	903	1 561	568	3 032	2 512
Clearing accounts	14.2	-	-	188	188	10 934
		944	9 313	884	11 141	21 356

Amounts of R 1 727 273 (2004: R 369 000) included above may not be recoverable, but has not been written off in the statement of financial performance.

14.1 Staff debtors

	2004/05 R'000	2003/04 R'000
SAL: TAX debt: CA	2	723
Debt account	3 030	1 774
Debt suspense	-	15
	3 032	2 512

Most debts emanated from salary overpayments and incorrect taxation of contract field workers' earnings. A possible solution is being investigated with persal.

14.2 Clearing accounts

	2004/05 R'000	2003/04 R'000
Cases with state attorney (CA1761 and CA601) – supplier disallowance	148	161
Census 2001 (EAX & Standard Bank) – supplier disallowance	40	256
Phil Phong – supplier disallowance	-	140
Supplier payments disallowed	-	19
Salary reversal control	-	7
Other amounts from claims recoverable account	-	5
Irregular expenditure	-	10 346
	188	10 934

15. Voted funds to be surrendered to the Revenue Fund

	Note	2004/05 R'000	2003/04 R'000
Opening balance	21	9 018	994
Transfer from statement of financial performance		151 073	12 949
Voted funds not requested/not received		(149 190)	(3 931)
Paid during the year		(9 018)	(994)
Closing balance		1 883	9 018

16. Departmental revenue to be surrendered to the Revenue Fund

	Note	2004/05 R'000	2003/04 R'000
Opening balance	21	398	(76)
Transfer from statement of financial performance		1 227	2 636
Transfer from local and foreign aid assistance		-	-
Paid during the year		(1 242)	(2 162)
Closing balance		383	398

17. Bank overdraft

	2004/05 R'000	2003/04 R'000
Paymaster general account	141 035	142 530
	141 035	142 530

18. Payables – current

Description	Note	30 Days	30+ Days	2004/05 Total	2003/04 Total
Amounts owing to other departments	Annexure 7	775	-	775	2 599
Advances received	18.1	-	1 000	1 000	1 000
Clearing accounts	18.2	17 887	-	17 887	1 897
Other payables	18.3	-	628	628	10 836
		18 662	1 628	20 290	16 332

18.1 Advances received

	2004/05 R'000	2003/04 R'000
Department of Health	1 000	1 000
	1 000	1 000

18.2 Clearing accounts

Description	2004/05 R'000	2003/04 R'000
Cheques payable	8	5
SAL: Persal EBT control account	22	-
Outstanding payments	11 588	1 890
Third party control account - GG	6 269	-
Unpaid/recall accounts	-	1
PMG adjustment	-	1
	17 887	1 897

18.3 Other payables

Description	2004/05 R'000	2003/04 R'000
Receivable income	329	10 403
Receivable interest	299	225
Tax RSA	-	140
Census 2001 payroll control	-	63
Bargaining councils	-	5
	628	10 836

19. Payables – Non-current

Description	One to two years	Two to three years	More than three years	2004/05 Total	2003/04 Total
Census 2001 tax recalculations	-	-	3 798	3 798	4 049
	-	-	3 798	3 798	4 049

20. Reconciliation of net cash flow from operating activities to surplus/(deficit)

	2004/05 R'000
Net surplus/(deficit) as per statement of financial performance	154 506
Non-cash movements	
(Increase)/decrease in receivables – current	10 215
(Increase)/decrease in prepayments and advances	(293)
(Increase)/decrease in other current assets	(92)
Increase/(decrease) in payables – current	3 958
Increase/(decrease) in non-current liabilities	(251)
Surrenders	(10 658)
Capital expenditure	14 154
Voted funds not requested/not received	(149 190)
Net cash flow generated by operating activities	22 349

21. Appropriated funds and departmental revenue surrendered

	2004/05 R'000	2003/04 R'000
Appropriated funds surrendered	9 018	994
Departmental revenue surrendered	398	(76)
	9 416	918

Disclosure notes to the annual financial statements for the year ended 31 March 2005

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

22. Contingent liabilities

Liable to	Nature	Note	2004/05 R'000	2003/04 R'000
Motor vehicle guarantees	Employees	Annexure 3	408	408
Housing loan guarantees	Employees	Annexure 3	2 626	2 676
Other departments (unconfirmed balances)		Annexure 7	-	2 735
Capped leave commitments			13 391	12 494
			<u>16 425</u>	<u>18 313</u>
Other contingent liabilities:				
EAX Consortium			11 067	22 794
Uniform dispensation			7 000	-
Other			-	369
			<u>18 067</u>	<u>23 163</u>
Total contingent liabilities			<u>34 492</u>	<u>41 476</u>

23. Commitments

	2004/05 R'000	2003/04 R'000
Current expenditure		
Approved and contracted	9 150	7 877
Approved but not yet contracted	-	-
	<u>9 150</u>	<u>7 877</u>
Capital expenditure		
Approved and contracted	2 304	1 404
Approved but not yet contracted	-	-
	<u>2 304</u>	<u>1 404</u>
Total Commitments	<u>11 454</u>	<u>9 281</u>

Operating contract commitments amount to R1 908 228 and they are not included above.

24. Accruals

By economic classification	30 Days	30+ Days	2004/05 Total	2003/04 Total
Goods and services	4 061	580	4 641	250
Machinery and equipment	4 694	63	4 757	27
			<u>9 398</u>	<u>277</u>
		Note	2004/05 R'000	2003/04 R'000
Confirmed balances with other departments		Annexure 7	-	10
			<u>-</u>	<u>10</u>

25. Employee benefits

	2004/05 R'000	2003/04 R'000
Leave entitlement	4 753	5 084
Thirteenth cheque	5 419	4 956
Performance awards	1 377	1 782
	11 549	11 822

26. Leases

	Buildings and other fixed structures	Machinery and equipment	2004/05 Total	2003/04 Total
Operating leases				
Not later than one year	-	216	216	-
Later than one year and not later than three years	-	337	337	-
Later than three years	-	-	-	-
Total present value of lease liabilities	-	553	553	-

The above amount represents commitments in respect of rental of office equipment.

27. Irregular expenditure

27.1 Reconciliation of irregular expenditure

	Note	2004/05 R'000	2003/04 R'000
Opening balance		28 121	38 467
Adjustment of opening balance – tender amount exceeded and understated in previous years		22 397	-
Irregular expenditure – current year		-	-
Transferred to statement of financial performance - authorised losses (condoned)		-	-
Transfers (to)/from receivables for recovery (not condoned)	27.2	10 346	(10 346)
Irregular expenditure awaiting condonement		60 864	28 121
Analysis			
Current		-	-
Prior years		60 864	28 121
		60 864	28 121

27.2 Irregular expenditure

Incident	2004/05 R'000	2003/04 R'000
Tender amount exceeded	56 101	23 358
Pro Con Africa	45 755	13 012
Accenture	10 346	10 346
Personnel expenditure	4 763	4 763
	60 864	28 121

28. Senior management personnel

	2004/05 R'000	2003/04 R'000
The Statistician-General	799	751
Deputy Director-Generals	2 608	1 571
The Chief Financial Officer	511	480
	3 918	2 802

The above amounts are based on individual notches of the senior management team.

Annexures to the annual financial statements for the year ended 31 March 2005

Annexure 1: Statement of Regional Services Council (RSC) levies paid to municipalities

Name of Municipality	2004/05			2003/04
	Amount raised R'000	Actual payment R'000	Percentage of RSC levies paid %	RSC levies paid R'000
RSCL: Motheo District Municipality	14	14	100,0	14
RSCL: Ehlanzeni District Municipality	12	12	100,0	12
RSCL: Frances Baard District Municipality	9	9	100,0	8
RSCL: Capricorn District Municipality	13	13	100,0	13
RSCL: Greater East Rand Metro	19	19	100,0	18
RSCL: Tshwane Metropolitan Municipality	517	517	100,0	402
RSCL: Cape Metropolitan Council	11	11	100,0	12
RSCL: Amatole District Municipality	16	16	100,0	17
RSCL: Ethekwini Municipality	17	17	100,0	17
RSCL: Central District Municipality	14	14	100,0	13
	642	642	100,0	526

Annexure 2: Statement of transfers/subsidies to households

Non-profit organisation	2004/05					2003/04	
	Transfer allocation				Expenditure	Final appropriation R'000	
	Adjusted appropriation R'000	Rollovers R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	Percentage of available funds transferred %	
Transfers							
Household employee social benefit	-	-	222	222	222	100,0	-
Stolen equipment	-	-	4	4	4	100,0	-
Leave gratuities	-	-	-	-	-	0,0	213
Ex-gratia payments	-	-	-	-	-	0,0	12
Gifts by the state	-	-	-	-	-	0,0	4
Total	-	-	226	226	226	100,0	229

Annexure 3: Statement of financial guarantees issued as at 31 March 2005

Domestic

Guarantor institution	Original guaranteed capital amount R'000	Opening balance 01/04/2004 R'000	Guarantees issued during the year R'000	Guarantees released during the year R'000	Guaranteed interest outstanding as at 31/03/2005 R'000	Closing balance 31/03/2005 R'000	Realised losses i.r.o. claims paid out R'000
Motor vehicles							
Stannic	408	408	-	-	-	408	-
	408	408	-	-	-	408	-
Housing							
ABSA Bank	837	764	63	73	-	754	-
Standard Bank	537	440	169	202	-	407	-
First National Bank	475	477	97	94	-	480	-
NEDCOR	1 296	979	23	33	-	969	-
BoE Bank	24	16	-	-	-	16	-
	3 169	2 676	352	402	-	2 626	-
Total	3 577	3 084	352	402	-	3 034	-

Opening balances were amended after a reconciliation was performed to reflect the correct amounts. Amounts in respect of financial institutions that were either merged or absorbed were consolidated under the current existing financial institutions as reflected above.

Annexure 4: Physical asset movement

Physical asset movement schedule as at 31 March 2005

	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	-	13 036	-	-	-	-
Computer equipment	-	11 915	-	-	-	-
Furniture and office equipment	-	1 121	-	-	-	-
	-	13 036	-	-	-	-

Physical asset movement schedule as at 31 March 2004

	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	-	8 226	-	-	-	-
Computer equipment	-	7 150	-	-	-	-
Furniture and office equipment	-	1 076	-	-	-	-
	-	8 226	-	-	-	-

Opening and closing balances may not be disclosed for the current year as per instruction from the office of the Accountant-General.

Annexure 5: Software and other intangible asset movement

Software and other intangible assets movement schedule as at 31 March 2005

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	-	880	-	-	-	-

Software and other intangible assets movement schedule as at 31 March 2004

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers in R'000	Transfers out R'000	Closing balance R'000
Computer software	-	5 806	-	-	-	-

Opening and closing balances may not be disclosed for the current year as per instruction from the office of the Accountant-General.

Annexure 6: Inter-governmental receivables

	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Government entity				
Department				
Department of Labour	-	-	162	159
Department of Public Works	-	-	22	-
Department of Social Development	-	-	19	24
Department of Foreign Affairs	-	-	-	9
	-	-	203	192
Other government entities				
SARS - tax reconciliation	-	-	7 718	7 718
Total	-	-	7 921	7 910

Annexure 7: Inter-departmental payables – current

	Confirmed balance outstanding		Unconfirmed balance outstanding	
	31/03/2005 R'000	31/03/2004 R'000	31/03/2005 R'000	31/03/2004 R'000
Government entity				
Department				
Amounts not included in the statement of financial position				
Current				
Department of Agriculture (unallocated received)	-	-	-	2 589
Department of Transport (unallocated received)	-	10	-	
Total	-	10	-	2 589
Amounts included in the statement of financial position				
Current				
Department of Agriculture (unallocated received)	-	2 589		
Department of Transport (unallocated received)	-	10		
Total	-	2 599		
Other government entity				
Amounts not included in the statement of financial position				
Current				
Regional Services Councils	1	-	-	6
Income tax - SARS	617	-	-	140
Pension fund	157	-	-	-
Subtotal	775	-	-	146