

**INDEPENDENT COMPLAINTS DIRECTORATE
VOTE 21**

**STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS
for the year ended 31 March 2002**

The financial statements have been, unless otherwise indicated, prepared in accordance with the following policies, which have been applied consistently in all material respects. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) and the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act, as well as the Division of Revenue Act, Act 1 of 2001.

1. Basis of preparation

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

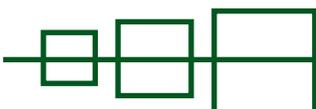
2. Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the adjustment estimate. Interest received is recognised upon receipt of the funds and no accrual is made for interest receivable from the last receipt date to the end of the reporting period. Unexpended voted funds are surrendered to the National Revenue Fund.

Dividends received are recognised as revenue in the financial statements of the department, however, it is also recognised as an expense in the same year, as the dividends are paid over to the National Revenue Fund.

3. Expenditure

Capital and current expenditure are recognised in the income statement when the payment is made. Interest paid is also recognised when paid and no accrual for interest is made between the payment date and the reporting date.



4. Unauthorised, irregular, and fruitless and wasteful expenditure

Unauthorised expenditure means:

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

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

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

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

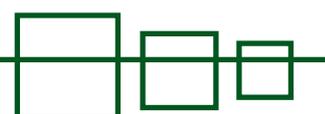
Irregular expenditure is treated as expenditure in the income statement until such expenditure is either not condoned by National Treasury or the Tender Board, at which point it is treated as a current asset until it is recovered from a third party.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party.

5. Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts. During the period under review, the Department has written off debts in the following categories:

- Debts untraceable and not economically viable to employ tracing agents.
- Debts older than three years (prescribed out of service debts).



The following principles were applied:

- Recovery would cause undue hardship to the debtor or his/her dependants.
- It is advantageous for the ICD to effect settlement of the claim or to waive the claim.
- Recovery of debt would be uneconomical.

6. Assets

Physical assets (fixed assets, moveable assets and inventories) are written off in full when they are paid for and are accounted for as expenditure in the income statement.

7. Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

8. Payables

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

9. Provisions

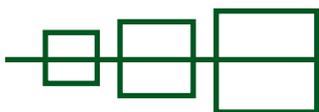
Provisions are not normally recognised under the cash basis of accounting.

10. Lease commitments

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

11. Subsequent payments

Payments made after the accounting date that relates to goods and services received before or on the accounting date are disclosed as a note to the financial statements. These payments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.



12. Employee benefits

Short-term employee benefits

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

Termination benefits

Termination benefits are recognised and expensed only when the payment is made.

Retirement benefits

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

Medical benefits

The department provides medical benefits for all its employees through defined benefit plans. These benefits are funded by employer and employee contributions. Employer contributions to the funds are expensed when money is paid to the funds. No provision is made for medical benefits in the financial statements of the department.

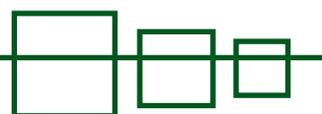
Retirement medical benefits for retired members are expensed when the payment is made to the funds.

13. Capitalisation reserve

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

14. Recoverable revenue

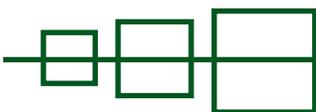
Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue



Fund as and when the repayment is received.

15. Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.



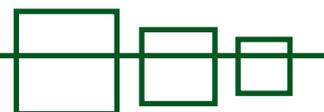
**INDEPENDENT COMPLAINTS DIRECTORATE
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**INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)
for the year ended 31 March 2002**

REVENUE	Note	2001/02 (R'000)	2000/01 (R'000)
Voted funds		26,715	25,512
Non-voted funds			
- Other receipts	1	106	781
TOTAL REVENUE		26,821	26,293
EXPENDITURE			
Personnel	2	16,312	17,383
Administrative		5,307	5,655
Inventories		577	383
Equipment	3	3,261	1,138
Land and buildings	4	219	-
Professional and special services	5	1,002	825
Transfer payments	6	32	9
Miscellaneous	7	-	119
Special functions: authorised losses	8	5	-
TOTAL EXPENDITURE		26,715	25,512
NET SURPLUS FOR THE YEAR		106	781

ANALYSIS OF NET SURPLUS FOR THE YEAR

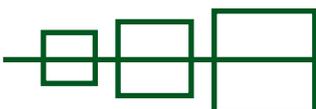
Revenue surrendered or to be surrendered to Revenue Fund	12	106	781
		106	781



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**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
at 31 March 2002**

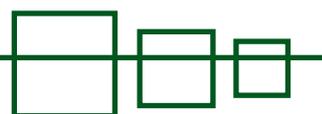
ASSETS	Note	2002 R'000	2001 R'000
Current assets		668	1,596
Receivables	10	657	1,578
Prepayments and advances	11	11	18
Total assets		<u>668</u>	<u>1,596</u>
 LIABILITIES			
Current liabilities		668	1,596
Bank overdraft	9	428	1,555
Revenue funds to be surrendered	12	17	7
Payables	13	223	34
Total liabilities		<u>668</u>	<u>1,596</u>



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**CASH FLOW STATEMENT
for the year ended 31 March 2002**

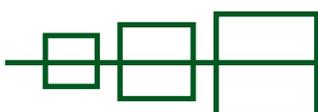
	2001/02	2000/01
Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash flow generated by operating activities	15 2,772	1,684
Cash required(utilised) to (increase)/decrease working capital	16 1,117	(548)
Voted funds and Revenue funds surrendered	17 (96)	(1,541)
Net cash flow available from operating activities	<u>3,793</u>	<u>(405)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
	(2,666)	(903)
Purchase of equipment	3 (2,447)	(903)
Purchase of land and buildings	4 (219)	-
Net cash flows from operating and investing activities	<u>1,127</u>	<u>(1,308)</u>
Net increase/ (decrease) in cash and cash equivalents	<u>1,127</u>	<u>(1,308)</u>
Cash and cash equivalents at beginning of period	9 (1,555)	(247)
Cash and cash equivalents at end of period	9 (428)	(1,555)



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002**

1. Other receipts	Note	2001/02	2000/01
		R'000	R'000
Gifts, donations and sponsorships received	1.1	-	(16)
Cheques written back		(65)	(77)
Interest received		(6)	-
Debt recoveries (recoverable revenue)		(16)	-
Cash discount		(5)	(3)
Commission		(10)	(11)
Other recoveries		(8)	(20)
Revenue previous financial year		4	(654)
		<u>(106)</u>	<u>(781)</u>
1.1 Gifts, donations and sponsorships received in cash		2001/02	2000/01
		R'000	R'000
N/A		-	16
		<u>-</u>	<u>16</u>
2. Personnel		2001/02	2000/01
		R'000	R'000
Basic salary costs		10,644	11,969
Pension contributions		1,582	1,615
Medical aid contributions		772	670
Other salary related costs		3,314	3,129
		<u>16,312</u>	<u>17,383</u>
Average number of employees		<u>122</u>	<u>114</u>
3. Equipment	Note	2001/02	2000/01
		R'000	R'000
Current (Rentals, maintenance and sundry)		814	235
Capital	3.1	2,447	903
		<u>3,261</u>	<u>1,138</u>



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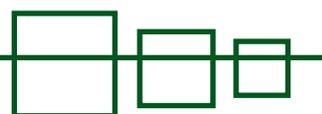
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002**

3.1 Capital equipment analysed as follows:	2001/02	2000/01
	R'000	R'000
Computer equipment	2,242	578
Furniture and office equipment	130	308
Other machinery and equipment (including inventories)	75	17
	<u>2,447</u>	<u>903</u>

4. Land and buildings	Note	2001/02	2000/01
		R'000	R'000
Capital expenditure	4.1	219	-
		<u>219</u>	<u>-</u>

4.1 Capital property expenditure analysed as follows:	2001/02	2000/01
	R'000	R'000
Non - residential buildings	219	-
	<u>219</u>	<u>-</u>

5. Professional and special services	Current	Capital	2001/02	2000/01
	expenditure	expenditure	R'000	R'000
Auditors' remuneration	197	-	197	201
Contractors	3	-	3	4
Consultants and advisory services	82	-	82	3
Computer services	237	-	237	222
Other	483	-	483	395
	<u>1,002</u>	<u>-</u>	<u>1,002</u>	<u>825</u>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002**

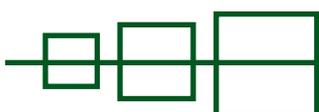
6. Transfer payments	Current	Capital	2001/02	2000/01
Transferee	expenditure	expenditure	R'000	R'000
PSETA (Skills Development Levy)	32	-	32	9
	<u>32</u>	<u>-</u>	<u>32</u>	<u>9</u>

7. Miscellaneous	2001/02	2000/01
	R'000	R'000
Stabilisation fund (Terminates after 2001)	-	119
	<u>-</u>	<u>119</u>

8. Special functions: Authorised losses	Note	2001/02	2000/01
		R'000	R'000
Debts written off	8.1	5	-
		<u>5</u>	<u>-</u>

8.1 Debts written off	Current	Capital	2001/02	2000/01
	expenditure	expenditure	R'000	R'000
Tax debt	1	-	1	-
Bursary debt	3	-	3	-
Interest on late payment	1	-	1	-
	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>

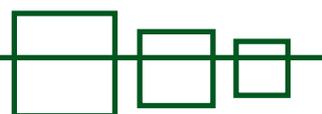
9. Cash and cash equivalents	Note	2001/02	2000/01
		R'000	R'000
Paymaster General Account (Exchequer Account)	9.1	(428)	(1,555)
		<u>(428)</u>	<u>(1,555)</u>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002**

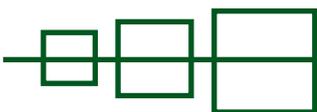
9.1 Paymaster General Account/ Exchequer Account		2001/02	2000/01
		R'000	R'000
Balance as per National Accounting Office		1,069	(508)
Add: Outstanding deposits		1	-
Sub total		1,070	(508)
Deduct:		1,498	1,047
Orders payable		108	213
ACB control account		1,390	834
Balance above		(428)	(1,555)
10. Receivables - current	Notes	2001/02	2000/01
		R'000	R'000
Amounts owing by other departments	14	50	1,092
Staff debtors	10.3	80	143
Other debtors	10.4	527	343
	10.2	657	1,578
10.1	Amounts of R 150 000 (2001: R 30 000) included above may not be recoverable, but has not been written off in the income statement.		
10.2 Age analysis-receivables		2001/02	2000/01
		R'000	R'000
Less than one year		8	12
One to two years		302	1,445
More than two years		347	121
		657	1,578
10.3 Staff debtors		2001/02	2000/01
		R'000	R'000
S&T Account		69	131
Tax debt		11	12
		80	143



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002**

10.4 Other debtors	2001/02 R'000	2000/01 R'000
Pensions (Finance)	69	-
Independent Institutions	24	-
Debt awaiting pension / pension received less than debt	87	-
GG Accidents	176	176
Thefts & losses (awaiting approval)	67	46
Suppliers	104	121
	527	343
	527	343
 11. Prepayments and advances	2001/02 R'000	2000/01 R'000
Nature of prepayments/advances		
Petty Cash	11	12
Salary advances	-	6
	11	18
	11	18



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002**

12. Revenue funds to be surrendered	Note	2001/02 R'000	2000/01 R'000
Funds to be surrendered			
Opening balance		7	767
Transfer from income statement for revenue to be surrendered		106	781
Paid during the year	17	(96)	(1,541)
Closing balance		<u>17</u>	<u>7</u>

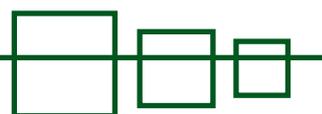
13. Payables - current	Note	2001/02 R'000	2000/01 R'000
Other payables	13.1	<u>223</u>	<u>34</u>
		<u>223</u>	<u>34</u>

13.1 Other payables	2001/02 R'000	2000/01 R'000
Credits received from Pensions to be taken into account	68	-
Government Garage - Western Cape	103	16
Institutions	-	18
Recoverable revenue	52	-
	<u>223</u>	<u>34</u>

14. Transactions with other departments

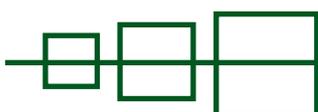
Name of department

	Payments made	Owing by other department
SA Management & Development Institution	5	5
Department Economic Affairs: Agriculture & Tourism	7	7
National Department of Public Works	3	3
Provincial Administration Cape of Good Hope	1	1
North West Provincial Administration	28	28
South African Police Services	6	6
	<u>50</u>	<u>50</u>
Actual 2002: R'000	<u>50</u>	<u>50</u>
Actual 2001: R'000	<u>1,103</u>	<u>1,103</u>



INDEPENDENT COMPLAINTS DIRECTORATE
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002

15. Net cash flow generated by operating activities	Notes	2001/02 R'000	2000/01 R'000	
Net surplus as per Income Statement		106	781	
Adjusted for items separately disclosed		2,666	903	
Purchase of equipment	3.1	2,447	903	
Purchase of land and buildings	4	219	-	
Net cash flow generated by operating activities		<u>2,772</u>	<u>1,684</u>	
16. Cash generated (utilised) to (increase)/decrease working capital		2001/02 R'000	2000/01 R'000	
(Increase)/decrease in receivables (Note 10)		921	(1,075)	
(Increase)/decrease in prepayments and advances		7	(33)	
Increase/(decrease) in payables		189	560	
		<u>1,117</u>	<u>(548)</u>	
17. Voted funds and Revenue funds surrendered		2001/02 R'000	2000/01 R'000	
Revenue funds surrendered during the year		(96)	(1,541)	
		<u>(96)</u>	<u>(1,541)</u>	
18. Contingent liabilities				
Liable to	Nature of contingent liability	Notes	As at 31 Mar-02 R'000	As at 31 Mar-01 R'000
Motor vehicle guarantees	Employees	18.1	617	518
Housing loan guarantees	Employees	18.2	499	403
Actual 2002: R'000			<u>1,116</u>	<u>921</u>
Actual 2001: R'000			<u>921</u>	<u>-</u>



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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002

18.1 Motor vehicle guarantees

	As at 31 Mar-02 R'000	As at 31 Mar-01 R'000
Institution: Stannic	617	518
	617	518
	617	518

18.2 Housing loan guarantees

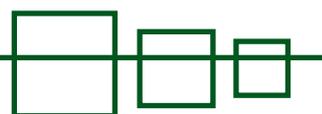
Name of financial institution	Opening balance	Guarantees issued during the financial year	Guarantees released / written off during the financial year	Closing balance
ABSA	142	18	-	85
African Bank	17	-	-	17
Nedbank	95	-	-	95
Standard Bank	49	30	-	79
People's Bank	26	-	-	26
FNB	46	-	-	46
NBS	28	-	-	28
Saambou	-	48	-	48
	403	96	-	499
	403	96	-	499

Opening balance adjusted to reflect the quarantees on the manual system

19. Subsequent payments not recognised in income statement

19.1 Listed by standard item

	2001/02 R'000
Administrative	309
Inventories	8
Equipment	33
Professional and special services	15
	365
	365



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2002**

19.2 Listed by programme level	2001/02 R'000
P1: Administration	93
P2: Investigation of complaints	269
P3: Monitoring and development	3
	365
	365

20. Short term employee benefits	2001/02 R'000
Leave entitlement	96
Thirteenth cheque	853
Performance bonus	34
	983
	983

21. Commitments	Current expenditure	Capital expenditure	2001/02 R'000
Liable to			
Rennies Travel	96	-	96
Connex Travel	18	-	18
Service Products	-	15	15
Maynard's Office Technology	1	-	1
United Business Systems	1	-	1
Brother Business Systems	-	2	2
Department of Public Works	-	8	8
Gallery Court	4	-	4
Danlin removals	3	-	3
Apronics	-	16	16
	123	41	164
Approved and contracted	123	41	164

22. Key management personnel

22.1 Remuneration

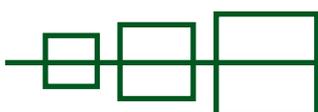
The aggregate remuneration of the key management amounts to R1 318 000 and consists of three individuals.

22.2 Other remuneration and compensation provided to key management

No other remuneration is provided to the key management of the Department.

22.3 Loans which are not widely available (and/or widely known) to persons outside the key management

No loans were made available to the key management members of the Department.



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APPROPRIATION STATEMENT
for the year ended 31 March 2002

Programme	Adjustment estimate 2001/02 R'000	Virement 2001/02 R'000	Amount Voted 2001/02 R'000	Expenditure 2001/02 R'000	Savings (Excess) 2001/02 R'000	%	Amount Voted 2000/01 R'000	Expenditure 2000/01 R'000
1. Administration	10,659	99	10,758	10,757	1	0.00%	11,216	10,108
2. Investigation of complaints	10,290	342	10,632	10,632	-	0.00%	10,784	11,709
3. Monitoring and development	5,766	(441)	5,325	5,321	4	0.08%	3,512	3,696
4. Special functions: Authorised losses	-	-	-	5	(5)	-100.00%	-	(1)
Total	26,715	-	26,715	26,715	-		25,512	25,512
Economic classification - actual expenditure	Adjustment estimate 2001/02	Virement 2001/02	Amount Voted 2001/02	Expenditure 2001/02	Savings (Excess) 2001/02	%	Amount Voted 2000/01	Expenditure 2000/01
Current	17,982	1669	16,313	16,312	1	0.01%	18,248	17,383
Personnel	32	-	32	32	-	0.00%	9	9
Transfer payments	7,606	54	7,660	7,661	(1)	-0.01%	6,304	7,184
Other								
Capital								
Acquisition of capital assets	1,095	1615	2,710	2,710	-	0.00%	951	936
Personnel								
Total	26,715	-	26,715	26,715	-		25,512	25,512



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APPROPRIATION STATEMENT
for the year ended 31 March 2002

Standard items - actual expenditure	Adjustment estimate 2001/02 R'000	Virement 2001/02 R'000	Amount Voted 2001/02 R'000	Expenditure 2001/02 R'000	Savings (Excess) 2001/02 R'000	%	Amount Voted 2000/01 R'000	Expenditure 2000/01 R'000
Personnel	17,982	(1669)	16,313	16,312	1	0.01%	18,248	17,383
Administrative	5,989	(678)	5,311	5,307	4	0.08%	4,159	5,655
Inventories	401	176	577	577	-	0.00%	785	383
Equipment	1,085	2176	3,261	3,261	-	0.00%	1,145	1,138
Land and buildings	140	79	219	219	-	0.00%	-	-
Professional and special services	1,086	(84)	1,002	1,002	-	0.00%	882	825
Transfer payments	32	-	32	32	-	0.00%	9	9
Miscellaneous	-	-	-	-	-	0.00%	284	119
Special functions: Authorised losses	-	-	-	5	(5)	-100.00%	-	-
Total	26,715	-	26,715	26,715	-		25,512	25,512

**INDEPENDENT COMPLAINTS DIRECTORATE
VOTE 21**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2002**

1. Explanations of material variances from Amount Voted (after Virement):

1.1 Per programme:

Programme 1: Administration - No material variances to be explained.

Programme 2: Investigation of complaints - No material variances to be explained.

Programme 3: Monitoring and development - No material variances to be explained.

Special functions: An amount of R4 862,95 for debt has been written off.

1.1 Per standard item:

Personnel: No material variances to be explained.

Administrative: No material variances to be explained.

Inventories: No material variances to be explained.

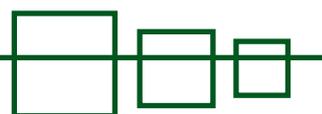
Equipment: No material variances to be explained.

Professional and special services: No material variances to be explained.

Transfer payments: No material variances to be explained.

2. Reconciliation of appropriation statement to income statement:

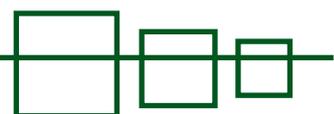
	2001/02	2000/01
	R'000	R'000
Total revenue per income statement	26,821	26,293
Less: Other receipts	106	781
	26,715	25,512
	26,715	25,512
Total expenditure per income statement	26,715	25,512
Actual expenditure per appropriation statement	26,715	25,512
	26,715	25,512



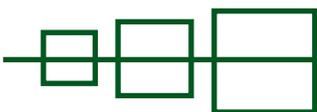
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