

## **Transliteration – Fiona Rowley – South Africa and Election Financing**

00:00

Q (Erik): Welcome to International IDEA's session on financing and budgeting of elections. My name is Erik Asplund and I work here at International IDEA as a programme officer on the Electoral Processes Team. Today I am joined by Fiona Rowley, International IDEA's Executive Director and formally the Deputy Chief Electoral Officer at the Election Commission of South Africa. Before we begin, Fiona, maybe it would be interesting for the audience to know a bit more of your professional background?

00:30

A (Fiona): Sure. I started by qualifying as a Chartered Accountant with KPMG in South Africa and then spent some time at District Audit, the service delivery for the Audit Commission in the UK, doing audits in the public sector. It was there that I developed a love of the public sector in general as opposed to commercial work. I moved to South Africa with PwC then, also working as a consultant, mainly an auditor, in the public sector for about 20 years. I was doing work for a variety of clients that involved: strategy enhancement and delivery of strategy, finance function improvement, structuring reviews and so forth. It was whilst I was at PwC that I was seconded originally to the Electoral Commission to act as their Chief Financial Officer. I was subsequently, permanently appointed to that post and then promoted to Deputy Chief Electoral Officer where I was responsible for the full range of corporate services functions (HR, IT, legal services, finance, risk management and strategy). It was from there ultimately that I ended up here looking for a new challenge and to broaden my understanding of democracy in general.

01:56

Q (Erik): Thank you, so let's jump in. First question: could you describe a little bit on how the Election Commission of South Africa gets its funds? What processes does it follow when negotiating that budget? Ongoing costs versus maybe specific costs.

02:15

A (Fiona): In South Africa, the budgeting cycle in governments are driven by two key processes. One is the medium term economic framework (MTEF), which is a rolling three year budgeting cycle, wherein you budget for the current year and the two subsequent years. That is supplemented every year by an estimates of national expenditure (ENE) process where in you detail more thoroughly and review the in-year costs, which are then voted in parliament. To determine our costs, we needed to have an understanding of what our current electoral delivery model was, as well as a view three years into the future. Because we operated a five year cycle, wherein we would have in one year: two registration weekends (to encourage all eligible citizens to come in and register to vote), followed by a municipal election. Then two registration weekends, followed by a national and provincial election in the fourth year. Finally, in the fifth year, a relatively flat year, where we would look at our internal processes and do the kind of things we couldn't do when in the midst of the electoral cycle like, for example, refresh our IT-systems, refresh our IT-hardware and so forth.

Because of the way the structures work in South Africa, we were part of the Home Affairs vote to parliament for our annual budget. But, given the need for us to secure our independence (and obviously independence for us was a critical issue); although we were a part of the Home Affairs vote, we didn't directly negotiate with Home Affairs. We negotiated directly with Treasury. And as I said, in the three year cycle of budgeting we would determine which of the activities were key in those three years and develop a budget literally on a project-by-project basis. We would have detailed discussions with National Treasury, where they would interrogate us relatively rigorously, obviously because of the need to ensure value for money for any amount spent out of the public purse. They would discuss with us the cost drivers and elements that were contained within that detailed budget before finally submitting it through to parliament for voting and approval.

04:41

Q (Erik): Thank you. In that case, out of interest it would be good to know how the budget for the Commission was developed and what methodology was used. Who was involved? Does the Commission's operational plan include a budget?

05:01

A (Fiona): Certainly. No operational plan can be complete without a budget. The first and fundamental step of any budget is to have a detailed and granular understanding of the service delivery model. Which means that we needed to have a detailed understanding of the electoral law and the mechanisms by which that electoral law was going to be translated into practice. It means that we needed to understand completely what the cost drivers were. In terms of the election in South Africa, one of the critical drivers was securing a venue for voting stations. We had 22,610 voting stations, where we needed to secure and contract with providers: normally churches, community halls, schools and those kind of things. Then we needed to staff the elections. In our particular circumstance, we employed around 200,000 temporary staff for the election period and that was a critical cost driver. There was a bill of materials, obviously the sort of kit you need to have in elections: the ballot boxes, the voting booths, the ballot papers, the stationary packs etc. Then there were the ancillary matters, perhaps like the voter education campaigns we carried out and the advertising campaigns we carried out. So it was understanding what all these relevant components were, and then identifying how much we needed of each component and what the projected costs were. We did that by a project-based budgeting system and we would sit periodically throughout the year and the cycle with the key operations-people for each relevant article and hold with them the kind of rigorous conversation we knew we were going to have with Treasury. To say: "OK, now you say that you need X number of ballot boxes. How is this number derived? How did you develop the cost per ballot box etc.?" And from this model build a total operational budget.

07:15

Q (Erik): Great. In your opinion, during the time you were working at the Electoral Commission, what were the main financing or budgeting challenges?

07:27

A (Fiona): With anything that is financed from the public purse, the desire to achieve maximum benefit for minimum outlay, in the context of ever-increasing service delivery

demands from the government as a whole, is a critical driver. With an election, we were fortunate that there was a high level of understanding and support from Treasury for the need for us to be able to be funded to do our job. Because, one of the critical failures or potential issues for any Electoral Commission in holding a free and fair election, is that this is not necessarily possible if you don't have adequate funding to ensure, for example that you can have adequate numbers of voting stations open that will enable public participation and so forth. The challenge was always for us to examine and keep reexamining our service delivery model to ensure that we were doing the best that we could with the resources that we had. One of the things that we did, for example, was look at how we staffed voting stations and whether we had an optimal number of staff. Now, on Election Day - although you have a voters roll and you hope to achieve maximum turnout- you can never tell how many people that are going to turn up at a particular voting station. So, we put plans in place to provide teams of flexible staff who could be rapidly deployed. They were trained and available and paid a stand-by amount to keep them available. But then if they were deployed they were paid an additional sum. Those teams were held in order that we could rapidly deploy them to a voting station where queues were getting excessive, or if there were particular issues, for example, if somebody hadn't turned up. I mean when you are employing 210 000 people on one day, somebody is going to wake up in the morning and discover that their battery is flat so they can't get to work or whatever.

09:35

Q (Erik): Out of curiosity, what was the most expensive line item in terms of the election? Was it the particular process or was there some sort of thing that was quite expensive?

09:45

A (Fiona): Definitely for us, it was the electoral staff (the 210 000 people). In an election, the budget was around 2 billion rand, and of that about 330 million rand was directed at employing those temporary electoral staff (the 210,000 of them), and then the 4500 area managers that were employed to coordinate and troubleshoot within the areas. That was, for us, by far our biggest cost element.

10:22

Q (Erik): You talked a little bit before about cost saving, and I am sure that there is more to say on the topic. Was there any initiative during your time at the Commission where there was a cost saving drive or push?

10:34

A (Fiona): Always and constantly. As I said, we used to hold debriefs after every election and critically evaluate what worked and what didn't work to ensure that we could achieve maximum efficiency and effectiveness. Not only in terms of the actual delivery of the election, but also in terms of the administrative processes that underpinned that. Like the 210 000 staff for example, we needed to pay them after the election, and you can imagine the process burden that that created. So, we looked at innovative ways of reducing that administrative burden and, as a consequence, the cost that underpinned that. But to some extent with an election, again your drivers are outside of your control. They are very much based on the number of registered voters, the number of voting stations and so forth. So, you always have to be careful when

considering cost savings so that you don't damage the integrity of the election as a result of trying to save costs, by not staffing a voting station as a consequence, and then disabling public participation, because the queues are too long and people don't want to vote or stand in line. There is always a balance that you need to maintain in this regard.

11:57

Erik: Thank you very much Fiona Rowley for taking part in this session on budgeting and financing of elections and thank you very much the audience for watching.

12:05

Fiona: Thank you.

*This transcript has been lightly edited to enhance readability and clarity without changing the sense of the points made by the discussants.*

*Disclaimer: Views expressed in this interview do not necessarily represent the institutional position of International IDEA, its Board of Advisers or its Council of Member States.*