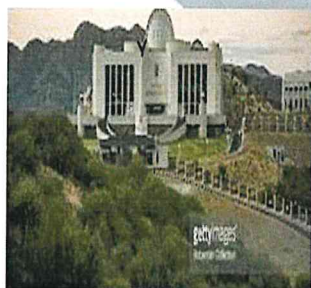




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

OFFICE OF THE PRESIDENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Office of the President for the financial year ended 31 March 2020 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, MARCH 2021

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time without or suspend any amount in an estimate of expenditure).
Virement:	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Underexpenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Commitments:	Funds reserved to acquire goods or services from a supplier.
Suspense accounts:	Is an account opened in the books of Government that records movement of transactions of a temporarily nature, for example salary deductions of housing instalments.
S&T Advance Suspense Account:	A suspense account reflecting the outstanding subsistence and travel advances.
Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe the money to the State.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time specified
Subsistence Advance:	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.
Performance Information:	Measurement of an individual, group, organization, system or component which is collected, analysed and reported. (Includes Strategic plans, annual plans, performance agreements and personal development plans) Measurement of (Includes Strategic plans, annual plans, performance agreements and personal development plans) performance agreements and personal development plans)
Key performance indicator (KPI)	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.

ISSAI	International Standards of Supreme Audit Institutions (ISSAI) Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
Types of Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p>Disclaimer Opinion. Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.</p> <p>Adverse Opinion. The Financial statements of an O/M/A's do not fairly present its actual financial position and the required information was either not disclosed, or (if disclosed) was inadequately disclosed or was inaccurate.</p>
Materiality	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
OMA	Office/Ministry/Agency
Reasonable Assurance	It is when the audit conclusion is expressed positively, conveying that, in the auditor's opinion, the subject matter is or is not compliant in all material respects or, where relevant, that the subject matter information provides a true and fair view, in accordance with the applicable criteria.
Limited Assurance	It is when the audit conclusion states that, based on the procedures performed; nothing has come to the auditor's attention to cause the auditor to believe that the subject matter is not in compliance with the criteria.
Direct reporting engagement	It is when an auditor measures or evaluates the subject matter against the criteria. The auditor is responsible for producing the subject matter information. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. By measuring the subject matter evidence against the criteria, the auditor is able to form a conclusion.
Attestation engagement	It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which you, the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.

Subject matter	Refers to the information, condition or activity that is measured or evaluated against certain criteria
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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OFFICE OF THE PRESIDENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

1. SECTION A: FINANCIAL AUDIT

1.1 QUALIFIED AUDIT OPINION

I have audited the financial statements of the Office of the President, for the financial year ended 31 March 2020 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, notes to the financial statements and general information for the financial year then ended, and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements of the Office of the President as at 31 March 2020 are prepared, in all material respects, in accordance with Section 12 & 13 of the State Finance Act, 1991, (Act 31 of 1991) and relevant legislation.

1.2 BASIS FOR QUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the INTOSAI Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. My opinion has been qualified due to the following:

1.2.1 Credit cards

The Office has six (6) credit cards from First National Bank issued to six (6) different officials who work closely with the President. At the time of writing this report, the Office was still in the process to obtain Treasury approval for the opening of these credit cards.

For the financial year under review, an audit was conducted on the credit cards and the audit found the following anomalies.

- (i) The Office made payments in respect of entertainment expenses for His Excellency, the President on foreign/international as well as local trips from various credit cards. However, the audit found that five (5) payment vouchers amounting to N\$ 27 452.00 were not provided for audit purposes which are an audit scope limitation, as the auditors could not verify the correctness of the transactions.

It is recommended that the Accounting Officer should ensure that vouchers/documents are provided for audit purposes at all times.

- (ii) The expenditure accountability reports that are completed after completion of a trip, amounting to N\$ 1 233 954.82 prior to the Accounting Officer approval were not certified correct by the Financial advisor. This matter was also raised during the 2018/2019 financial year audit and the office's response to the 2018/2019 audit query was that the task has been allocated to the reconciliation section. However, this function is still not carried out.

It is recommended that the Accounting Officer should ensure that the expenditure accountability reports are verified and certified correct by the Financial Advisor.

1.2.2 Bank account – Marginalized Program: San Development

During the financial year under review, an audit was conducted on the San Development bank account and the audit found the following anomalies. Similar findings were reported in the 2018/2019 audit report, but there is no improvement on the controls of this bank account:

- (i) The Office paid various suppliers for the supply and delivery of food items of the Feeding Programme, monthly allowances for marginalised students, learners and casual workers from the San Development bank account. However, thirteen (13) payment vouchers amounting to N\$ 311 132.56 were not provided for audit purposes.

It is recommended that the Accounting Officer should ensure that payment vouchers are filed and provided for audit purposes in future.

Management comment

The Accounting Officer agrees with the finding and stated that those vouchers could not be found.

- (ii) The Office of the President made payments of N\$ 1 698 944.74 to seven (7) service providers during the year under review. However, the auditors were not provided with the service agreements which indicate the rates payable and the duration of the contracts. Consequently, the auditors could not establish the basis of the contractual awards of the food suppliers and funeral services in the absence of the agreements.

It is recommended that the Accounting Officer should ensure that service agreements are filed and provided for audit purposes in the future.

Management comment

The Accounting Officer indicated that the Office agrees with the findings and stated that those agreements could not be found.

- (iii) One (1) staff member was given a total amount of N\$ 188 582.40 to pay casual workers in the Omaheke and Otjozondjupa regions for the period of November 2018 - February 2019 as per the pay sheet.
 - a) However, although the money was released to the staff member on 06 August 2019 for distribution to the casual workers, which was done in August 2019, the remaining money was only deposited back into the San Development bank account on 18 February 2020. About seven (7) months later after returning to the head office and no explanation was provided why the money was kept for such a long time.

- b) The audit further found that, there was no attendance register provided for pay points 8, 9, 14 and 5. The auditors could not verify the amounts paid to casual workers and the names on the attendance register attached, were not on the pay sheets.

Management comment

The Accounting Officer indicated that the Office agrees with the findings.

- c) The handwriting that changed casual workers names appeared to be the same handwriting that was signing as receiving the money as per pay point number 25.
- (iv) An amount of N\$ 487 707.36 was issued to the paymaster (staff member) for distribution to casual workers and students in the Otjozondjupa and Omaheke regions during the period of November 2018 – February 2019.

a) An amount of N\$ 86 780.00 was not paid to the casual workers and students. However, it was found that from the N\$ 86 780.00, only N\$ 34 111.00 was deposited back into the San Development account as per the two deposit slips provided, dated (18/02/2020) leaving a total of N\$ 52 669.00 unexplained. This process was only done seven (7) months later after returning to the head office with no explanation provided for the delay to deposit the money back into the bank.

- b) N\$ 487 807.36 was cashed in Windhoek, Ausspanplatz branch as per the release of fund letter, while the payments were made in Otjozondjupa and Omaheke regions. No explanation was provided, why staff members should travel with such a huge sum of money.

It is recommended that the Accounting Officer should ensure that all the remaining funds are paid back into the bank account and proof thereof be filed for future reference and audit purposes. Huge amounts of money should not be carried or transferred without proper security which poses a high risk of possible loss of money.

- c) A staff member was paid DSA (direct claim) amounting to N\$ 27 973.00. The motivation memo reads as follows: Special request to our Office by the former Deputy Prime Minister Dr. Libertine Amathila for Mr Oreseb to assist with logistical arrangements and technical support at Otjomuru Hostel construction. However, the request from the former Deputy Prime Minister was not provided for audit purposes.

In addition, the activity plan indicates that this staff member had a meeting with Dr. Amathila on logistical arrangements; however no evidence for the activities that took place were attached to the claim for audit purposes.

It is recommended that the Accounting Officer should ensure that all relevant documents are attached before payments are made.

- d) On 04 December 2019, a staff member withdrew N\$ 4 000.00 from the San Development Bank account for the payment of a cultural performance for the SADC conference of San communities. However, the audit found that the invoice for the performing group was not attached to the payment and the funds were withdrawn in Windhoek, while the event took place in Swakopmund, and the trip authority for this trip was also not provided for audit purposes.

It is recommended that the Accounting Officer should ensure that receipts and invoices are kept and filed for future references.

Management comment

The Accounting Officer indicated that the tax invoice/receipt was misplaced; however, funds were handed over to the cultural group.

- (v) On 28 July 2019, one (1) staff member was given N\$ 618 981.96 for the payment of students and casual workers in the Kavango East and Zambezi regions for the period of November 2018 – February 2019 as per the general expense form.
- a) However, of the N\$ 618 981.96, the staff member handed over N\$ 41 872.48 for twenty (20) students and casual workers to a third party. There were no appointment letters or any other documents indicating the relation between the third party and the payee (learner/student or casual worker) as per the pay sheet, despite the fact that the staff member was paid daily subsistence allowance to carry out this task. One of the controls is that money should not be handed over to a person other than the payee.
 - b) Furthermore, from the N\$ 618 981.96, an amount of N\$ 113 358.24 for fifty eight (58) beneficiaries was not paid out, but no evidence could be provided, and this money was supposed to be deposited back into the San Development Bank account. However, the auditors were not provided with proof of the deposit.
 - c) Finally, the allocated amount for one pay point was N\$ \$ 618 981.64. However, the amount paid to beneficiaries of the same paypoint was N\$ 649 394.64 which is more than the allocated amount. Auditors were not provided with supporting documents to confirm where the additional money came from.

It is recommended that the Accounting Officer should ensure that staff members do not hand over allowances to third parties other than the rightful beneficiaries, students, learners and casual workers. It is also recommended that the remaining money should be deposited back into the bank account and proof thereof should be filed for future reference and audit purposes. In addition, where the payment is more than the allocated amount, the Accounting Officer should explain the variance.

- (vi) One (1) staff member was given N\$ 66 920.00 to pay learners in the Khomas region. However, the staff member handed over an amount of N\$ 3 000.00 for six (6) learners to a third party, while one of the controls is that money should not be given to persons other than the payee.

It is recommended that the Accounting Officer should ensure that staff members do not hand over allowances to third parties other than the rightful beneficiaries, students, learners and casual workers.

- (vii) On 22 November 2019, an amount of N\$ 26 800.00 was paid in respect of student allowance and a flight ticket without invoices and supporting documents. The procurement procedures were also not followed as three (3) quotations and proof of registration were not attached to the payment vouchers.

It is recommended that the Accounting Officer should ensure that supporting documents are kept and filed before any payments are made.

(viii) On 19 November 2019, a staff member withdrew an amount of N\$ 162 380.00 for the payment of students in Khomas and Erongo regions for the period September 2019 – October 2019.

(a) The Office acquired an online system from Standard Bank which enables the Office to create beneficiaries and do all other transactions online. However, despite the fact that the Office acquired this online system, an amount of N\$ 69 160 for nineteen (19) students was withdrawn by a staff member and manual deposits were made into beneficiaries' bank accounts, instead of paying them online. Secondly, these bank accounts were not found on the bank account master list that was provided for audit purposes.

Management comment

The Accounting Officer indicated that the Office agrees with the findings.

(b) Of the N\$ 162 380.00, the staff member handed over N\$ 19 160.00 for eleven (11) students to a third party, instead of distributing the money to the students at the schools and the casual workers at their pay points. There was also no appointment letters or any other documents indicating the relation between the third party receiving the money and the payee (learner/student or casual worker) as per the pay sheet.

(ix) An amount of N\$ 159 084.96 was withdrawn by a staff member as per the release for the payment of casual workers in the Ohangwena region for the period of November 2018-February 2019.

a) However, N\$ 159 084.96 was cashed in Windhoek, Gustav Voigts branch as per the release of fund letter, while the payments were made in the Ohangwena region.

b) Ten (10) casual workers were paid a total amount of N\$ 20 146.24 as per pay point 11. However, there is no attendance register attached to determine if there was any work performed.

It is recommended that the Accounting Officer should ensure that names of beneficiaries are not manually removed and added without proper authorisation. Furthermore, the Accounting Officer should ensure that the correct amount is paid and should further ensure that any adjustments are authorized prior to implementation. The Accounting Officer should also ensure that staff members do not travel with such huge amounts of cash.

Management comment

The Accounting Officer indicated that the Office acknowledges the danger of travelling with such huge amounts of money due to the high risk involved.

(x) On 28 July 2019, a staff member withdrew N\$ 259 786.56 for the payment of students and casual workers in Kunene region for the period November 2018 – February 2019 as per the general expense form.

a) The original names on the pay sheet were replaced with new names; however, no prior authorisation was provided as to how the students became beneficiaries at the time of the payment and also why the previous beneficiaries were replaced.

- b) Of the N\$ 259 786.56, the staff member handed over N\$ 19 600.00 for fourteen (14) students and casual workers to a particular third party. The same person received the beneficiaries' money, as it appears to be the same handwriting that signed off this money, despite the fact that the staff members were paid daily subsistence allowance to carry out this task.

It is recommended that the Accounting Officer should provide an explanation why beneficiaries were added on the list at the time of payment without prior approval and the Accounting Officer should also ensure that allowances are being paid directly to the rightful beneficiaries.

1.2.3 Bank reconciliation and student masters list

No evidence of bank reconciliations was provided for audit purposes. In addition, no student master list and bank account master list was provided for audit purposes.

It is recommended that the Accounting Officer should ensure that regular bank reconciliations are conducted as well that both the updated master list and bank accounts master list are kept and provided for audit purposes.

1.2.4 Commission and Special Committees

During the year under review, the President appointed members to serve on the Economic High Level Committee. However, the Accounting Officer reported that there were no commissions and special committees appointed. Furthermore, the Accounting Officer did not report on the Ancestral Land Committee activities and expenses for the financial year under review.

It is recommended that the Accounting Officer should explain why the Economic High Level Committee has not been reported and why expenditure towards Ancestral Land Committee was also not reported.

Management comment

In response to the draft report, the Accounting Officer indicated that the Commission into the Ancestral Land was appointed and that the Office did not make budgetary provision for the Economic High Level Committee, however, the Office made payments towards accommodation for the Economic Advisor who had to fly in for the meetings from abroad.

1.2.5 Goods and other services

During the financial year under review, an audit was conducted on goods and other services and the audit found the following anomalies:

- (i) The audit found that possible double payments were made to various suppliers to the total amount of N\$ 398 981.00.

It is recommended that the Accounting Officer should put measures in place to avoid possible double payments in future.

The Accounting Officer indicated that when the Office realised that the payments were made to the wrong suppliers, efforts were made to recover the money from the suppliers.

- (ii) Payments amounting to N\$ 193 200.00 were found to have been initiated and approved by the same person.

It is recommended that the Accounting Officer should ensure that duties are segregated.

Management comment

The Accounting Officer indicated that it happened during peak times when the Office took vouchers to the Ministry of Finance for payments.

- (iii) The internal memo dated 09 December 2019, which was not signed by the Accounting Officer, indicated that payments amounting to N\$ 96 118.00 that were intended for a certain supplier were wrongly paid to a wrong account, and that attempts are being made to reimburse the Office. However, no evidence was provided that the said amount was recovered.

It is recommended that the Accounting Officer should ensure that measures are put in place to avoid that payments made to wrong suppliers.

Management comment

The Accounting Officer indicated that the Office is not able to recover the amount and is left with no option but to request the Attorney-General for assistance.

- (iv) Payments amounting to N\$ 602 686.51 were made to eleven (11) suppliers; however the audit found that only one or two quotations were sourced and attached to the invoice voucher. There are no internal memos attached to the payment vouchers stating why, procurement procedure to source at least three (3) quotations were deviated from.

It is recommended that the Accounting Officer should ensure that proper procurement procedures are followed.

- (v) The audit found that two (2) suppliers were paid a total amount of N\$ 45 846.90 on 18 April 2019 and 08 October 2019 respectively. However, the bank accounts into which the money was paid as per the proof of payment are not the same as the ones on the invoice.

It is recommended that the Accounting Officer should provide proof of banking details (bank confirmation letter or bank statements) when payments are made to bank accounts that are different from the one on the invoice.

Management comment

The Accounting Officer indicated that the Office will request bank confirmations for any future payments.

- (vi) Nine (9) payment vouchers amounting to N\$ 336 119.00 were not submitted for audit purposes.

It is recommended that the Accounting Officer should ensure that payment vouchers are filed and provided for audit purposes. Vouchers not submitted for audit could lead to scope limitation.

Management comment

The Accounting Officer indicated that the Office concurs with the finding.

1.3 KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there were no key audit matters to communicate in my report.

1.4 RECURRING MATTERS

1.4.1 Unauthorized expenditure

It has been noted with concern that unauthorized expenditure has been recurring in the Office of the President for four (4) consecutive years as follows:

Financial year	Amount
	N\$
2016/2017	5 211 903.81
2017/2018	3 701 252.54
2018/2019	34 527 279.60
2019/2020	4 596 597.86

The Accounting Officer indicated in the previous financial year, that the Office concurs with the finding for unauthorized expenditure and will implement a manual commitment register during the 2019/2020 financial year in order to close any gaps that might be the cause of unauthorised expenditure. However, no manual commitment register was implemented during the year under review.

The Accounting Officer is urged to implement measures to avoid any unauthorised expenditure in future.

2 SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

2.1. COMPLIANCE TO LAWS AND REGULATIONS

I have audited the financial performance and the use of appropriated funds of the Office of the President for the financial year ended 31 March 2020.

2.2 Description of the subject matter information and audit scope

The audit aimed to determine whether the Office of the President's financial performance and the use of its appropriated funds is in compliance with the Appropriation Act, 2019 (Act 2 of 2019); Appropriation Amendment Act, 2019 (Act 3 of 2019); State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2020.

2.3 Audit objective

The objective of this compliance audit is to verify and assess the Office of the President has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs. This audit is an attestation engagement where the Office presented the subject matter information on which the auditor then gathered sufficient and appropriate audit evidence to provide limited assurance in forming an opinion. In forming an opinion, the findings and recommendations are taken into consideration.

In addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

2.4 Audit criteria

The audit criteria of this compliance audit are derived from the following laws and regulations stated below:

Appropriation Act, 2019 (Act 2 of 2019);
Appropriation Amendment Act, 2019 (Act 3 of 2019);
State Finance Act, 1991 (Act 31 of 1991);
Procurement Act, 2015 (Act 15 of 2015);
Treasury Instructions; and
Public Procurement Regulations.

2.5 Summary of methods applied

I have audited the financial statements for the financial year ended 31 March 2020 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 BASIS FOR UNQUALIFIED AUDIT OPINION

2.6.1. Unauthorized expenditure

The following unauthorised expenditure occurred during the financial year and is hereby reported as such in terms of Section 27(6) (a) of the State Finance Act, 1991:

- (i) Two (2) main divisions of the Office were overspent with an amount of N\$ 463 475.66 which is unauthorised in terms of Section 6(a)(ii) of the Act; and
- (ii) Although Treasury approvals were obtained to utilise certain expected savings for the defrayal of excess expenditure through virements during the year, seven (7) operational subdivisions were exceeded by an amount totalling N\$ 4 601 688.55 which is unauthorised in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer should implement budgetary control measures to prevent unauthorised expenditure in future.

2.7 UNQUALIFIED AUDIT OPINION ON THE SUBJECT MATTER

In my opinion, the Office of the President's financial performance and the use of appropriated funds is in all material respects, in compliance, with the Appropriation Act, 2019 (Act 2 of 2019), Appropriation Amendment Act, 2019 (Act 3 of 2019), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and the Public Procurement Regulations.

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Office of the President for the financial year ended 31 March 2020.

3.1 Description of the subject matter information and audit scope

A Performance Management System (PMS) is as a systematic process for achievement and improvement in obtaining results from an organization and its staff members by managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable Offices, Ministries and Agencies (OMAs) to achieve success in National Development Plans (NDP) and provide improvements in service delivery to the public.

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of the Office of the President and the 2017-2022 Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

3.2 Audit objective

The objective of the Key Performance Indicator (KPI) audit is to provide assurance on whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the (OMAs) to inform the Parliament, the public and other stakeholders on its strategic priorities, programs, and projects.

The objective of this audit is also to provide reasonable assurance to Parliament, members of the general public and other relevant stakeholder whether the reported actual performance has actually occurred and is based on the selected criteria.

3.3 Audit criteria

In this audit, I tested the performance information against the following selected criteria:

- Compliance with legislative requirements
- Usefulness
- Reliability
- Existence
- Timeliness
- Presentation
- Measurability
- Relevance
- Consistency
- Validity
- Accuracy
- Completeness

3.4 Summary of methods applied

The auditors reviewed the Strategic plan, Annual plan and Annual performance report to confirm whether the Strategic Plan objectives, targets and KPIs have been correctly cascaded to the Annual Plan and whether the selected key performance indicators for the year under review are reported in the Directorate quarterly reports and Annual Performance Report.

Furthermore, the audit team conducted interviews and reviewed documents to obtain information that pertains to the selected key performance indicators.

3.5 Conclusion on the subject matter

The audit revealed a satisfactory outcome on the measurability sub-criteria as all performance indicators were quantifiable and the audit concluded a satisfactory outcome on the timeliness as the performance information was sent to the Office of the Prime Minister on time as per annual performance management process timetable, and thus the Office is commented on it.

Presentation, existence, consistency, accuracy and completeness of performance information is met which concluded that reported information is reliable and might be useful to the general public and stakeholders.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 and 13 of the State Finance Act, 1991, (Act 31 of 1991) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

The management is also responsible for ensuring adherence to the Appropriation Act, 2019 (Act 2 of 2019); Appropriation Amendment Act, 2019 (Act 3 of 2019); State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

4. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

My powers and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under Section 25(1) (c), Section 26(1) and Section 27(3) of the State Finance Act, 1991 (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2019 (Act 2 of 2019), Appropriation Amendment Act (Act 3 of 2019), Treasury Instructions, Procurement Act, 2015 (Act 15 of 2015) and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards required that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

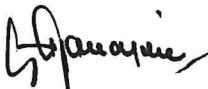
5. GENERAL INFORMATION

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A. The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 30 October 2020 in terms of Section 13 of the State Finance Act, 1991.

6. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Office of the President during the audit is appreciated.

WINDHOEK, MARCH 2021


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2019/2020						2018/2019
Service	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the President:						
Original budget	124 571 000					
Additional budget	23 000 000					
Less: Virement	(9 497 000)	138 074 000	138 433 304.66	(359 304.66)	(0.26)	80 980 664.04
02. Administration:						
Original budget	287 513 000					
Additional budget	12 000 000					
Plus: Virement	4 478 000					
Less: Suspension	(13 000 000)	290 991 000	288 547 839.56	2 443 160.44	0.84	225 987 941.37
03. Office of the Founding President :						
Original budget	13 859 000					
Additional budget	490 000					
Plus: Virement	1 435 000	15 784 000	15 694 820.96	89 179.04	0.56	16 775 241.17
04. Vice President:						
Original budget	9 426 000					
Additional budget	1 000 000					
Plus: Virement	3 584 000	14 010 000	12 839 027.99	1 170 972.01	0.36	11 201 088.89
05. San Development Programme:						
-	-	-	-	-	-	77 057 739.36
06. Disability Affairs:						
-	-	-	104 171.00	(104 171.00)	-	23 786 671.10
Total		458 859 000	455 619 164.17	3 239 835.83	0.71	435 789 345.93

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2019/2020			2018/2019
	Authorised expenditure	Actual expenditure	Under-expenditure/ (excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	80 675 000	85 149 644.14	(4 474 644.14)	107 822 585.63
002. Employer's contribution to staff's pension fund and M P O O B P F	8 409 000	7 697 609.14	711 390.83	10 513 736.28
003. Other conditions of service	2 205 000	1 332 463.25	872 536.74	934 223.66
005. Employers contribution to social security	203 000	207 537.68	(4 537.68)	265 289.45
Total	91 492 000	94 387 254.25	(2 895 254.25)	119 535 835.02
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	40 392 000	37 548 674.67	2 843 325.33	37 873 756.14
022. Materials and supplies	3 367 000	3 090 503.60	276 496.40	3 604 024.91
023. Transport	22 542 000	22 528 693.38	13 306.62	3 461 818.64
024. Utilities	24 490 000	22 828 591.46	1 661 408.52	21 273 296.09
025. Maintenance expenses	1 471 000	1 380 836.27	90 163.73	866 534.82
027. Other services and expenses	54 483 000	53 470 116.15	1 012 883.85	22 310 267.40
028. Training course, symposiums and workshops	580 000	562 989.20	17 010.80	553 829.22
029. Printing and advertisements	1 368 000	1 345 294.66	22 705.34	80 721.61
031. Entertainment politicians	148 000	110 648.40	37 351.60	10 000.00
033. Office refreshments	127 000	97 586.09	29 413.91	63 797.30
034. Official entertainment/corporate gifts	470 000	442 602.17	27 337.83	1 064 807.37
040. Security contracts	-	-	-	193 140.80
Total	149 438 000	143 406 536.07	6 031 463.93	91 355 994.30
Current expenditure: Subsidies, grants and other transfers				
041. Membership fees and subscription: International	314 000	312 877.96	1 122.04	324 366.88
043. Government organizations	-	-	-	-
046. Subsidies to sub national bodies	-	-	-	70 331 000.00
047. Subsidies to other extra budgetary bodies	138 875 000	138 875 000.00	-	124 466 054.00
Total	139 189 000	139 187 877.96	1 122.04	195 121 420.88
Total: Current expenditure	380 119 000	376 981 668.28	3 137 331.72	406 013 250.20
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 740 000	1 637 495.89	102 504.11	1 879 770.57
Total: Capital expenditure	1 740 000	1 637 495.89	102 504.11	1 879 770.57
Total: Operational expenditure	381 859 000	378 619 164.17	3 239 835.83	407 893 020.77
Development:				
Capital expenditure: Acquisitions of assets				
103. Operational equipment, machinery and plant	62 000 000	62 000 000.00	-	11 200 000.00
105. Feasibility studies, design and supervision	-	-	-	5 793 000.00
107. Construction, renovation and improvements	10 000 000	10 000 000.00	-	8 021 000.00
124. Abroad	5 000 000	5 000 000.00	-	3 500 000.00
Total: Development expenditure	77 000 000	77 000 000.00	-	28 514 000.00
GRAND TOTAL	458 859 000	455 619 164.17	3 239 835.83	436 407 020.77

ANNEXURE A (continued)**1.3 Departmental revenue**

Revenue for the year is reported as follows:

Revenue head	Estimate	Actual revenue 2019/2020	More/(Less) than estimated	Actual revenue 2018/2019
	N\$	N\$	N\$	N\$
Miscellaneous	50 000	360 299.05	310 299.05	427 145.87
Unclaimed cheques	-	2 733.45	2 733.45	(54 688.02)
Total	50 000	357 565.50	307 565.50	372 457.85

2. GENERAL INFORMATION**2.1. Bank accounts**

The Accounting Officer reported the following bank accounts with closing balances as follows:

Account name	Financial Institution	Balance as at 31 March 2020
		N\$
San Development Programme	Standard Bank	30 360.06
Berhartine	First National Bank	236 181.15
Magongo Iipinge	First National Bank	32 149.49
Joseph Kudumo	First National Bank	39 909.39
Ndilipunye Medesto	First National Bank	10 090.40
Gondy Diaz	First National Bank	40.00
Office of the President	First National Bank	241 417.70

2.2. Suspension of funds

The Accounting Officer reported that the Office suspended N\$ 13 000 000 from the Vote during the mid-term budget review.

2.3. Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue as follows:

Description	Amount
	N\$
Reversals of stale payable cheques	161 614.42
Bidding documents	9 200.00
Payrol reversals	101 317.17
Manual journals	88 166.86
Total	360 299.05

2.4 Stores and depots

The Accounting Officer reported that stocktaking was conducted at one (1) store and the value of the stock received during the year was worth N\$ 3 617 822.31. The Accounting Officer also reported closing stock on hand amounting to N\$ 340 547.71 for stores and depots.

2.5 Vehicles (Government Garage)

The Accounting Officer reported that the Office has one hundred and ninty nine (199) pool vehicles from Government Garage as at 31 March 2020, eight (8) vehicle accidents were reported during the financial year under review. All eight (8) vehicles were repaired at a total cost of N\$ 60 637.12.

2.6 Contributions by Government

The Accounting Officer reported that the Office purchased items presented as gifts to visiting Heads of States and dignitaries within and outside Namibia, to a total amount of N\$ 224 844.69 with the necessary Treasury approval.

2.7 Debts to the Government

The Accounting Officer reported outstanding debt of N\$ 85 126.27 for the year under review.

2.8 Outstanding subsistence advances

The Accounting Officer reported that the Debit balance list had an outstanding balance of N\$ 110 952.73 as at 31 March 2020.

2.9 Suspense accounts

The following seven (7) suspense accounts had balances as at 31 March 2020, two (2) with debit balances and five (5) credit balances:

Description	Balance as at 31/03/2020 Debit/(Credit)
	N\$
Receipt suspense	(3 832.04)
S&T advance suspense account	(55 880.27)
Rejection account	133 133.60
Bills payable	225 994.82
Electronic Fund Transfer Clearing Account EFT	(120 256.37)
Social Security	(59.51)
Pension Fund: GIPF	(1 863.91)

2.10 Capital projects

The Accounting Officer reported the following development projects:

Name of the project	Approved total budget	Actual expenditure as at 31/03/2019	Approved appropriation 2019/2020	Actual expenditure 2019/2020	Total expenditure as at 31/03/2020	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
State Security Infrastructure	1 664 577	104 796 902.76	77 000 000	77 000 000	181 796 902.80	31/03/2025
Total	1 664 577	104 796 902.76	77 000 000	77 000 000	181 796 902.80	

2.11 Annual stock taking

The Accounting Officer reported that the total value of all store equipment and live stock on hand is N\$ 65 265 053.00.

2.12 Bursary and study assistance

The Accounting Officer reported that the Office paid N\$ 311 787.00 in respect of study assistance for fifteen (15) staff members.

2.13 Wellness

The Accounting Officer reported expenditure amounting to N\$ 8 000.00 in respect of wellness activities.

WINDHOEK, 31 OCTOBER 2020

AMBASADOR GRACE UUSHONA
ACCOUNTING OFFICER