



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

GOVERNMENT OF NAMIBIA

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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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 Government of Namibia for the financial year ended 31 March 2018 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.

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, October 2019

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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 to time or suspend any amount in an estimate of expenditure).
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote main division or subdivision.
Under expenditure:	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.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time specified?
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). 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.
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>
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.
OMA	Office/Ministry/Agency

Subject matter	Refers to the information condition or activity that is measured or evaluated against certain criteria.
COF (Cash Office System)	A system used by the Inland Revenue Department for the collection of revenue.
Internal Registered Stock	Refers to public stock issued in Namibia under paragraph (b) of subsection (2) of section 29 and entered in the registers referred to in section 30(1) (a) of the State Finance Act, 1991.
State-owned Enterprises (SOEs)	A legal entity that is created by a government in order to partake in commercial activities on the government's behalf.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
GOVERNMENT OF NAMIBIA
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

1. SECTION A: FINANCIAL AUDIT

1.1 QUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Government of Namibia for the financial year ended 31 March 2018 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the following:

- Revenue Statement;
- Appropriation Accounts;
- Standard Subdivisions;
- Standing Appropriation;
- State Revenue Fund;
- Statement of Fund Balances;
- Notes to the Financial Statements; and
- General information for the financial year then ended and a summary of significant accounting policies and other explanatory information.

The financial statements, notes to the financial statements and general information provided by the Accounting Officer: Finance are attached.

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the financial statements of the Government of Namibia as at 31 March 2018 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 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 matters:

1.2.1 Revenue

1.2.1.1 Overstatement of revenue

The following Revenue Heads are overstated due to the following differences found between the audited amounts (Net Revenue Calculated) and the amounts in the General ledger (GL):

Net Revenue			
Revenue Heads	Audited Amount (Net Revenue Calculated)	Revenue per GL	Difference
	N\$	N\$	N\$
Withholding tax on individuals	331 961 769.09	332 431 363.00	(469 593.91)
Value Added Tax	11 998 021 920.00	12 049 401 222.00	(51 379 302.00)
Stamp Duties and Fees	173 462 122.00	171 357 777.02	(2 104 344.98)
Total	12 503 445 811.09	12 553 190 362.02	53 953 240.89

The following Revenue Heads are overstated due to the following differences found between the audited amounts (Net Revenue Calculated) and the amounts in the General ledger:

Net Revenue			
Revenue Heads	Audited Amount (Net Revenue Calculated)	Revenue per GL	Difference
	N\$	N\$	N\$
Non-residents Shareholders tax	185 980 967.00	183 135 684.00	2 845 283.00
Tax on Royalties	96 472 051.00	96 024 577.00	447 474.00
Transfer Duties	272 517 385.00	269 543 528.00	2 973 857.00
Stamp Duties and Fees	173 462 122.00	171 357 777.02	2 104 344.98
Total	728 432 525.00	720 061 566.02	8 370 958.98

1.2.1.2 Understatement of revenue estimates

The estimate in the General Ledger is understated with N\$ 4 650 438 103. The following differences were found between the estimates of revenue in the budget and the General Ledger (GL) as follows:

Revenue head	Estimate per budget book	Estimate per GL/statement	Difference
	N\$	N\$	N\$
Non Tax Revenue	3 960 470 301	2 754 247 229.00	1 206 223 072.00
Entrepreneurial Income	1 844 809 774	1 943 242 063.00	(98 432 289.00)
Administrative fees and charges and incidental sales	2 009 228 238.00	811 005 166.00	1 198 223 072.00
Safety and Security	10 259 500.00	10 059 500.00	200 000.00
Prisoners Labour	200 000.00	-	200 000.00
Health and Social Services	71 456 063.00	71 128 066.00	327 997.00
Sale of Electricity	702 997.00	375 000.00	327 997.00
Mines and Energy	1 188 297 677.00	11 200 000.00	1 177 097 677.00

Revenue head	Estimate per budget book	Estimate per GL/statement	Difference
	N\$	N\$	N\$
Prospecting License and Claims	1 800 000.00	-	1 800 000.00
Diamond Royalties	976 182 294.00	-	976 182 294.00
Other Mineral Royalties	199 115 383.00	-	199 115 383.00
Justice	845 000.00	705 000.00	140 000.00
004. Miscellaneous	140 000.00	-	140 000.00
2522.Land Reform	1 850 000.00	7 430 000.00	(5 580 000.00)
703. Miscellaneous	500 000.00	600 000.00	(100 000.00)
787. Sale of Maps	600 000.00	210 000.00	390 000.00
788. Deeds fees	600 000.00	620 000.00	(20 000.00)
789. Surveyor General	-	6 000 000.00	(6 000 000.00)
807. Investigation fees: Surveyor General	150 000.00	-	150 000.00
3122.Veteran Affairs	62 640.00	36 190.00	26 450.00
703. Miscellaneous	30 000.00	3 550.00	26 450.00
Total	20 267 299 867.00	5 616 861 764.00	4 650 438 103.00

It is recommended that the Accounting Officer: Finance should ensure that the revised revenue estimates will always be updated in the General ledger.

Management comments

In her response to the draft report, the Accounting Officer indicated that the revenue estimates as per General ledger and the estimates budget book vary because the General ledger was not updated with the Mid-term budget review estimates figures approved by Parliament. In future, the Ministry of Finance will ensure that the revised review estimates will always be updated on the General ledger.

1.2.2 Commercial bank accounts

Circular D6/2018 of the Auditor-General requires the Accounting Officer: Finance/Accountant-General to provide a consolidated statement in respect of all commercial bank accounts held by Accounting Officers at all the Votes as referred to in Section 2(4) (a) of the State Finance Act, 1991 (Act 31 of 1991).

Eleven (11) bank accounts are reported by the Accounting Officer: Finance but were not reported by Accounting Officers of individual O/M/As in their individual statements submitted for audit purposes:

Description of Account	Banking institution	Currency	Closing Balance as at 31 March 2018 as per Accounting Officer statement
02. Office of the Prime Minister			
Children of the Liberation Struggle	First National Bank	N\$	20 500 093.29
06. Safety & Security (Police)			
Consulado Da Rep. Da Namibia Luanda Angola	Overseas account	AKZ	-
10. Education, Arts & Culture			
Min. of Education. - Global Fund - HIV/AIDS Strategic Fund	Ned Bank	N\$	434 031.00
NCHE & ACTET Current	First National Bank	N\$	25 428 753.00
NCHE & ACTET Call	First National Bank	N\$	4 731 881.00
NCHE & ACTET Fixed Maturity Notice	First National Bank	N\$	27 120 336.00
NCHE & ACTET - ETSIP Fund	First National Bank	N\$	322 633.00
NCHE & ACTET Investment	First National Bank	N\$	5 654 542.00
15. Mines & Energy			
Project Account	First National Bank	N\$	20 128.00
29. Information & Communication Technology			
SCAN-ICT Programme	Standard Bank	N\$	270 983.73
Namibia Film Development	Ned Bank	N\$	-

Management comment

In her response to the draft report, the Executive Director: Finance indicated that the bank accounts as reported by Treasury were confirmed by the respective commercial banks.

1.3 EMPHASIS OF MATTER

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements and including matters already disclosed by the various Offices/Ministry/Agencies in the financial statements:

1.3.1 Unauthorized expenditure

The State Finance Act, 1991 Section 6(a) (i) to (iii) stipulates that no expenditure shall be incurred during a financial year on services of the State which results in the total amount mentioned in an estimate of expenditure in respect of a vote and a main division of a vote or a subdivision of a main division being exceeded. Section 1 of the Act defines such excess as unauthorized expenditure.

Furthermore, Section 27(6)(a) of the Act stipulates in explicit terms that:

“The Auditor-General shall in a report to the National Assembly draw attention to every unauthorized expenditure incurred”.

In accordance with the above-mentioned requirement, attention is drawn to the unauthorized expenditure incurred by various Offices/ Ministries/Agencies during the financial year under review.

The total expenditure of five (5) Votes exceeded the approved budget. The total excess expenditure on these votes amounted to N\$ 917 853 435.61 which compares with excess expenditure totaling N\$ 1 725 525 286.51 in respect of fifteen (15) vote in the previous financial year.

The unauthorized expenditure decreased by N\$ 807 671 850.9 (46.81%) compared to the previous year. The following Offices/Ministries/Agencies over spent their revised budgets during the financial year under review:

Vote	O/M/A	Authorized budget	Actual expenditure	Variance
		N\$	N\$	N\$
10	Education, Arts and Culture	12 963 332 000	13 627 349 440.44	(664 017 440.44)
13	Health and Social Services	6 961 898 000	7 119 085 364.38	(157 187 364.38)
20	Agriculture, Water and Forestry	2 368 818 000	2 422 471 872.13	(53 653 872.13)
23	Department of Works	677 790 000	716 518 808.17	(38 728 808.17)
33	Poverty Eradication and Social Welfare	3 317 073 000	3 321 338 950.49	(4 265 950.49)
	Total	26 288 911 000	27 206 764 435.61	917 853 435.61

The main reasons for the excess expenditure have been explained by the concerned Offices/Ministries/Agencies as being due to suspensions effected by the Ministry of Finance; virements not processed timely and insufficient budget allocation.

It is recommended that an updated commitment register can assist Accounting Officers to a large extent to eliminate excesses by requesting approvals for virements timeously. Properly trained Accountants and improved communication between the Offices/Ministries/Agencies and the Ministry of Finance will also contribute largely to improve the situation. The Ministry of Finance may also consult Accounting Officers before effecting budget suspensions.

Management comments

In her response to the draft report, the Accounting Officer indicated that the unauthorized expenditure resulted mostly from payroll and the funds control functions are not applied due to the statutory obligation nature of this expenses. An additional contributing factor was the outstanding invoices.

1.3.2 Underexpenditure

The under expenditure on the following thirty (30) Offices/Ministries/Agencies amounted to N\$ 427 184 250.01 (0.90%) of the total budget compared with an under expenditure of N\$ 1 470 643 385.09 (0.03%) in the previous year:

Vote	O/M/A	Authorized expenditure	Actual expenditure	Variance
		N\$	N\$	N\$
1	President	608 535 000.00	604 216 765.59	4 318 234.41
2	Prime Minister	498 071 000.00	493 135 490.87	4 935 509.13
3	National Assembly	124 200 000.00	107 786 519.40	16 413 480.60
4	Auditor-General	109 976 000.00	108 707 126.14	1 268 873.86
5	Home Affairs and Immigration	679 538 000.00	668 655 665.42	10 882 334.58
6	Safety and Security	5 279 023 000.00	5 258 410 894.10	20 612 105.90
7	International Relations and Cooperation	804 796 000.00	798 986 529.84	5 809 470.16
8	Defence	6 045 639 000.00	6 013 821 199.45	31 817 800.55
9	Finance	4 298 477 000.00	4 267 842 970.50	30 634 029.50
11	National Council	115 424 000.00	101 049 750.21	14 374 249.79
12	Gender Equality and Child Welfare	1 260 307 100.00	1 229 433 025.14	30 874 074.86
14	Labour, Industrial Relations and Employment Creation	168 888 000.00	164 906 512.80	3 981 487.20
15	Mines and Energy	197 188 001.26	187 246 968.43	9 941 032.83
16	Justice	406 547 000.00	405 117 384.19	1 429 615.81
17	Urban and Rural Development	2 404 145 000.00	2 290 285 357.17	113 859 642.83
18	Environment and Tourism	485 703 000.00	483 794 889.67	1 908 110.33
19	Industrialization, Trade and SME development	575 190 000.00	557 744 712.44	17 445 287.56
21	Judiciary	424 588 000.00	422 913 304.67	1 674 695.33
22	Fisheries and Marine Resources	298 798 000.00	258 865 574.92	39 932 425.08
24	Department of Transport	3 705 741 000.00	3 698 967 039.43	6 773 960.57
25	Land Reform	443 261 000.00	416 537 839.59	26 723 160.41
26	National Planning Commission	176 220 000.00	172 473 811.97	3 746 188.03
27	Sport, Youth and National Service	429 524 000.00	426 021 815.23	3 502 184.77
28	Electoral Commission	67 910 000.00	65 269 473.79	2 640 526.21
29	Information And Communication Technology	509 282 000.00	501 440 880.32	7 841 119.68
30	Anti-Corruption Commission	59 168 000.00	59 154 867.80	13 132.20
31	Veterans Affairs	918 685 000.00	917 653 627.83	1 031 372.17
32	Higher Education, Training and Innovation	3 865 213 000.00	3 859 016 459.60	6 196 540.40
34	Public Enterprises	52 440 000.00	47 547 385.11	4 892 614.89
35	Attorney General	240 733 000.00	239 022 009.45	1 710 990.55
	TOTAL	35 253 210 101.26	34 826 025 851.07	427 184 250.19

It is recommended that the Offices, Ministries and Agencies should take immediate action to reconcile and rectify any errors and differences with the Accountant-General/Accounting Officer: Finance.

1.3.3 Suspense accounts

(i) Bills payable

The Bills payable suspense account for the following O/M/A's reflects debit balances whereas these suspense accounts should have credit balances:

O/M/A	Amount
	N\$
Office of the President	102 011.94
National Assembly	38 664.77
Office of the Auditor-General	16 684.16
Ministry International Relations and Corporation	16 028.92
Ministry of Defence	920 783.34
Ministry of Finance	16 565 283.38
Ministry Education, Arts and Culture	34 924 005.89
National Council	198 215.36
Ministry of Gender Equality and Child welfare	59 192.54
Ministry of Health and Social Services	3 850 450.41
Ministry of Labour, Industrial Relations and Employment Creation	1 255 640.28
Ministry of Environment and Tourism	383 788.36
Ministry of Agriculture, Water and Forestry	2 894 786.45
Office of the Judiciary	2 233.00
Department of Transport	478 785.15
Ministry of Land Reform	60 367.01
National Planning Commission	284 289.13
Ministry of Sports, Youth and National Services	76 853.68
Electoral Commission of Namibia	5 260 906.30
Ministry of Information and Communication Technology	60 314.12
Anti-Corruption Commission	28 640.38
Ministry of Poverty Eradication and Social Welfare	21 736.73
Ministry of Public Enterprises	9 858.15
Office of the Attorney General	25 025.84

The Accounting Officer should explain the afore mentioned debit balances.

Management comments

In her response, the Accounting Officer indicated that the debit balances on these accounts are due to lack of effective suspense account reconciliations by the O/M/As.

(ii) Rejection account

The rejection suspense account for the following O/M/A's reflects credit balances whereas these suspense accounts should have debit balances:

O/M/A	Amount
	N\$
National Assembly	(267 658.76)
Office of the Auditor-General	(3 510.00)
Ministry Safety and Security	(175 608.23)
Ministry International Relations and Corporation	(2 898.75)
Ministry of Defence	(2 989 386.66)
National Council	(44 144.13)
Ministry of Gender Equality and Child welfare	(52 144.51)
Ministry Mines and Energy	(891 900.42)
Ministry of Labour, Industrial Relations and Employment Creation	(215 820.45)
Ministry of Urban and Rural Development	(60 809.43)
Ministry of Environment and Tourism	(102 736.10)
Ministry of Industrialisation, Trade and SME Development	(22 472.37)
Ministry of Fisheries and Marine Resources	(26 523.91)
Department of Works	(263 104.00)
Ministry of Land Reform	(220 922.26)
Electoral Commission of Namibia	(5 651.00)
Ministry of Information and Communication Technology	(799 797.99)
Anti-Corruption Commission	(56 608.43)
Ministry of Higher Education, Training and Innovation	(77 143.71)
Ministry of Public Enterprises	(6 680.47)

The Accounting Officer should explain these credit balances.

Management comments

In her response in the draft report, the Accounting Officer indicated that credit balance on the rejection account is largely related to the recoveries on the payroll system which are automatically credited to the rejection account. However, in some instances the debit for the debt being repaid would either be reflected in the DSA suspense account or against the vote. In addition, some votes wait until the full amount of the debt is recovered before netting off against the respective suspense account where the debit balance is reflected.

(iii) Electronic Funds Transfer (EFT) suspense account

The EFT suspense account for the following O/M/A's reflects debit balances whereas these suspense accounts should have credit balances:

O/M/A	Amount
	N\$
National Assembly	6 740.00
Ministry of Safety and Security	35 823.99
Ministry of International Relations and Corporation	4 097.50
Ministry of Urban and Rural Development	961 154.64
Ministry of Environment and Tourism	320 409.44
Ministry of Fisheries and Marine Resources	565.00
Department of Transport	40 215.65
Ministry of Information and Communication Technology	3 078 254.86
Ministry of Higher Education, Training and Innovation	9 290.00
Ministry of Industrialization, Trade and SME Development	5 143.95

The Accounting Officer: Finance should explain these debit balances.

Management comments

In her response on the draft report, the Accounting Officer indicated that an in-depth audit will be conducted to assess the nature of the debit balances.

1.4 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. Except for the matters described in the basis for qualified opinion section of my report, I have determined that there were no key audit matters to communicate in my report.

1.5 OTHER MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements and excluding matters already disclosed by the Government of Namibia in the financial statements:

1.5.1 Subsistence advances

Discrepancies were found at the following thirteen (13) O/M/As. These discrepancies are differences between the debit balance list and S&T advance suspense accounts and long outstanding claims:

Vote	O/M/A
1	President
3	National Assembly
5	Home Affairs
6	Safety and Security
8	Defence
9	Finance
13	Health and Social Services
14	Labour, Industrial relations and Employment creation
20	Agriculture, Water and Forestry
22	Fisheries and Marine Resources
23	Works
27	Sport, Youth and National Service
28	Electoral Commission of Namibia

It is recommended that the Accounting Officer: Finance should indicate what measures are in place to address these shortcomings.

Management comments

In her response on the draft report, the Accounting Officer indicated that the Ministry identified different suspense accounts where balances are held due to deployment, hence the Ministry is exploring ways to address the issue. Additionally, the Ministry developed a report in the General Ledger that compares the completeness and accuracy of the DSA and the General Ledger.

1.5.2 Reconciliation of suspense accounts

The audit found that the following two (2) O/M/As did not reconcile their suspense accounts. These reconciliations are important in order to account for all transactions that need to be allocated to the relevant vote accounts or revenue accounts to ensure completeness thereof:

Vote	O/M/A
23	Works
25	Land Reform

It is recommended that the Accounting Officer: Finance should indicate what measures will be put in place to ensure that suspense accounts are reconciled at all O/M/As.

Management comments

In her response on the draft report, the Accounting Officer indicated that to ensure that the suspense accounts are reconciled, a year end closure circular is provided annually indicating specific reconciliation trainings sessions and one on one consultation with individual O/M/As.

1.5.3 Audit committee and Risk Management Policy

Most Offices/Ministries /Agencies do not have audit committees established or the audit committees are dormant and also there are no risk management policy in place for the majority of the O/M/As. In the absence of functional audit committees and risk assessment policies, there is a risk that:

- Internal Audit reports are not reviewed independently to ensure implementation of internal and external auditors recommendations;
- Internal Audit Functions are not reviewed and monitored;
- Errors and fraud might not be prevented, detected and corrected timeously; and
- Material risks may not be addressed.

It is recommended that formal risk assessment policies are put in place to manage risks appropriately. It is also recommended that the Accounting Officers should ensure that functional Audit Committees are established to monitor the activities of Internal Auditors and ensure implementation of audit recommendations. The Accounting Officer: Finance should ensure that O/M/A's establish audit committees and develop and implement risk management policies.

Management comments

In her response to the draft report, the Accounting Officer indicated that the Ministry takes note of the findings and measures have been put in place and the Internal Audit Policy was finalized during the 2017/2018 financial year.

2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

2.1 COMPLIANCE TO LAWS AND REGULATIONS

SUBJECT MATTER: Financial performance and the use of appropriated funds

I certify that I have audited the financial performance and the use of appropriated funds of the Government of Namibia for the financial year ended 31 March 2018.

2.2 Description of the subject matter information and audit scope

The audit aimed to determine whether the Government of Namibia's financial performance and use of appropriated funds is in compliance with the Appropriation Act (Act 1 of 2017); State Finance Act (Act 31 of 1991); Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations for the financial year ended 31 March 2018. This audit is an attestation engagement where the Government of Namibia presented the subject matter information on which the auditor then gathered sufficient and appropriate audit evidence to provide reasonable assurance in forming an opinion. In forming an opinion, the findings and recommendations are taken into consideration.

2.3 Audit objective

The objective of this compliance audit is to verify and assess whether Government of Namibia has complied with all laws and regulations that have an impact on the financial statements in accordance with ISSAI 1250.

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 in accordance with ISSAI 4000. The scope of this audit is the 2017/2018 financial year.

2.4 Audit criteria

The audit criteria used in the audit was derived from the following laws and regulations:

Appropriation Act, 2017 (Act 1 of 2017)
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 audited the financial statements for the financial year ended 31 March 2018 submitted by the Accounting Officer: Finance in order to determine whether this information complied with laws and regulation that governs them.

2.6 Opinion on subject matter

In my opinion, the Government of Namibia's financial performance and use of appropriated funds is in compliance, except for the stores and depots, in all material respects, with the State Finance Act, 1991 (Act of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations and Appropriation Act, 2017 (Act 15 of 2017).

2.7 Stores and depots

Treasury Instruction KA 1501 stipulates that an Accounting Officer shall be responsible for reporting the total value of stores/depots at the end of the financial year.

Discrepancies were found in the following O/M/A's:

O/M/A	Description of discrepancies
Ministry of Environment and Tourism	<p>A difference amounting to N\$ 1 195 387.81 was reported by the Accounting Officer between the closing balance as at 31 March 2017 and the opening balance as at 1 April 2017.</p> <p>It is recommended that the Accounting Officer should ensure the accuracy of the accounting records and other financial documents under her control.</p>
Department of Works	<p>The Accounting Officer did not report total value of stock as at 31 March 2018 for fourteen (14) depots as required by Treasury Instruction KA 1501.</p>
Department of Transport	<p>The Accounting Officer reported an opening balance of stock at depots amounting to N\$ 46 256 953.64 as at 01 April 2017. However, the closing balance as at 31 March 2017 amounts to N\$ 30 890 367.54 leaving a difference of N\$ 15 366 586.10 unexplained.</p>
Ministry of Information and Communication Technology	<p>The Accounting Officer reported incorrect information for stores and depots. Information reported under this annual statement was the same information that was reported under points keeping stock and annual stocktaking.</p> <p>In addition, the Accounting Officer reported that stock amounting to N\$ 479 734.16 was received during the financial year under review, however, no supporting documents were submitted for audit purposes.</p> <p>It is recommended that the Accounting Officer should ensure that in future all the relevant supporting documents and correct information is provided for audit purposes.</p>

It is recommended that the Accounting Officer: Finance should ensure that proper stock control systems are in place in all O/M/As.

3. AUDIT OF PERFORMANCE INFORMATION

3.1 Reply from the audited entity as appropriate

A management letter for Debt Management, key performance indicators audit dated 08th January 2019, was sent to the Accounting Officer in order to respond on the matters found during the audit. At the time of writing this report, no response was received.

4. 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 & 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 for overseeing the entity's financial reporting process.

The management is also responsible for ensuring adherence to the Appropriation Act, (Act 1 of 2017); State Finance Act, (Act 31 of 1991); Procurement Act, (Act 15 of 2015) and Treasury Instructions and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

5. 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.

As part of an audit in accordance with the International Standards for Supreme Audit Institutions I exercise professional skepticism 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 uses 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 auditor's 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 auditor's report. However, future events or conditions may cause the Government:
 - 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 auditor's 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 2017 (Act 1 of 2017) State Finance Act, 1991 (Act 31 of 1991) Public Procurement Act 2015 (Act 15 of 2015) Treasury Instructions and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require 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.

6. POWERS AND DUTIES

Section 25(1) (c) of the State Finance Act, 1991 provides that the Auditor-General should satisfy himself that:

- a) All reasonable precautions have been taken to ensure that all monies due to the State are collected and that the laws relating to the collection of such monies have been complied with;
- b) All reasonable precautions have been taken to safeguard the receipt custody and issue of and accounting for the State's assets such as stores equipment securities and movable goods; and;
- c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition Section 26(1) (b) (iv) of the State Finance Act, 1991 empowers the Auditor-General to investigate and report on the economy efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

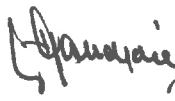
7. GENERAL INFORMATION

The annual financial statements, notes to the financial statements and general information provided by the Accounting Officer: Finance are attached as Annexure A.

8. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Accountant General of the Ministry of Finance and all Accounting Officers of other Offices/Ministries/Agencies during the audit is appreciated.

WINDHOEK, October 2019


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

1.1 STATEMENT OF BALANCE

1.1.1 Summary of the General Ledger

The balances as at 31 March 2018 of the State Revenue Fund and the various other accounts in the main ledger of the State Account maintained by the Ministry of Finance are summarized in the statement of cash assets and liabilities below. Credit balances are shown in brackets.

	31 March 2018	31 March 2017
	N\$	N\$
FUNDS AND ACCOUNTS FUNDS:		
State Revenue Fund (Paragraph 1.2.2)	(2 711 495 433.00)	125 076 127.15
Trade Account Balances	121 685 562.25	288 889 114.18
TOTAL	(2 589 809 870.75)	413 965 241.33
REPRESENTED BY:		
ASSETS		
CASH BALANCES AT:		
Bank of Namibia	1 313 313 687.04	(251 615 308.39)
Other Banks	142 980 752.71	378 835 717.87
Investment	1 650 000 000.00	-
Standing Advances and Imprest account	3 550.00	712 529.36
Receivables	25 050 948.06	30 498 745.63
General Debits	43 674.20	175 787 726.74
TOTAL	3 131 392 612.01	334 219 411.21
LIABILITIES		
Deposits held by Ministries	(42 402 899.71)	(127 697 669.90)
Sundry Creditors	(406 183 406.15)	(383 145 700.00)
General Credits	(92 996 435.40)	(237 341 282.64)
TOTAL	(541 582 741.26)	(748 184 652.54)
ASSETS LESS LIABILITIES	2 589 809 870.75	(413 965 241.33)

1.1.2 Bank accounts

The Ministry of Finance administers the main Government bank account; the State Account is maintained in terms of Section 2(1) of the State Finance Act, 1991 (Act 31 of 1991) and also three bank accounts into which most of the State moneys received referred to in Section 2(1) a) of the Act are deposited for control purposes and for daily transfers to the State Account. The balances of the accounts according to the main ledger were as follows on 31 March 2018:

	N\$
State Account (favorable)	1 159 232 789.83
Sub-total	1 159 232 789.83
Customs and Excise Deposit Account (favorable)	537.35
Special Account	2 241 296 456.19
Revenue Sub-Account (IRD) 165011	27.00
Total	3 400 529 810.37

1.2 STATE REVENUE FUND

1.2.1 Introduction

The State Revenue Fund has been established in accordance with Article 125(1) of the Namibian Constitution.

1.2.2 Statement of account

The following summary includes the statement which the Permanent Secretary: Finance prepared in compliance with Section 12(1)(a) of the State Finance Act, 1991 (Act 31 of 1991) setting out the total revenue to the benefit of and the expenditure as a charge to the State Revenue Fund during the 2017/2018 financial year:

	N\$	N\$	N\$
REVENUE			
Tax Revenue		54 590 122 998.12	
Non-Tax Revenue		4 178 977 729.51	
Return of Capital from Lending and Equity Participation		62 830 684.18	
External Grants		57 550.72	
Borrowings/Loan proceeds		34 508 339 952.06	
Total Revenue		93 340 328 914.59	

	N\$	N\$	N\$
EXPENDITURE			
Appropriation Accounts (Paragraph 1.3.1)			
Operational (Paragraph 1.3.2)	56 284 595 911.20		
Development (Paragraph 1.3.2)	5 748 194 375.48		
	62 032 790 286.68		
Standing Appropriations (Paragraph 1.4.1)	28 593 416 491.34		
Total expenditure		90 626 206 778.02	
PROFIT FOR THE YEAR			2 714 122 136.57
Balance on 31 March 2018			2 711 495 433.00

1.3 EXPENDITURE

1.3.1 Summary: Appropriation accounts

The appropriated amounts and the expenditure on the thirty-five (35) vote accounts published individually are summarized below:

Vote	Act 1 of 2017	Additional Budget	Suspensions	Net total authorized expenditure	Actual expenditure 2017/2018		Variance
					N\$	N\$	
1. President	604 584 000.00	8 446 000.00	(4 495 000.00)	608 535 000.00	604 216 765.59	4 318 234.41	0.71
2. Prime Minister	521 167 000.00	5 834 000.00	(28 930 000.00)	498 071 000.00	493 135 490.87	4 935 509.13	0.99
3. National Assembly	134 824 000.00	-	(10 624 000.00)	124 200 000.00	107 786 519.40	16 413 480.60	13.22
4. Auditor-General	112 683 000.00	-	(2 707 000.00)	109 976 000.00	108 707 126.14	1 268 873.86	1.15
5. Home Affairs & Immigration	619 926 000.00	114 548 000.00	(54 936 000.00)	679 538 000.00	668 655 665.42	10 882 334.58	1.60
6. Ministry of Safety and Security	5 021 327 000.00	365 260 465.00	(107 564 465.00)	5 279 023 000.00	5 258 410 894.10	20 612 105.90	0.39
7. International Relations and Cooperation	802 702 000.00	50 000 000.00	(47 906 000.00)	804 796 000.00	798 986 529.84	5 809 470.16	0.72
8. Defence	5 683 569 000.00	630 140 000.00	(268 070 000.00)	6 045 639 000.00	6 013 821 199.45	31 817 800.55	0.53
9. Finance	32 698 142 569.87	400 000 000.00	(206 203 000.00)	32 891 939 569.87	32 861 259 461.84	30 680 108.03	0.09
10. Education, Arts and Culture	11 975 672 000.00	1 237 179 748.00	(249 519 748.00)	12 963 332 000.00	13 627 349 440.44	(664 017 440.44)	(5.12)
11. National Council	115 177 000.00	568 000.00	(321 000.00)	115 424 000.00	101 049 750.21	14 374 249.79	12.45
12. Gender Equality and Child Welfare	1 297 444 000.00	134 000.00	(37 270 900.00)	1 260 307 100.00	1 229 433 025.14	30 874 074.86	2.45
13. Health and Social Services	6 514 579 000.00	794 638 000.00	(347 319 000.00)	6 961 898 000.00	7 119 085 364.38	(157 187 364.38)	(2.26)
14. Labour, Industrial Relations and Employment Creation	143 877 000.00	43 334 000.00	(18 323 000.00)	168 888 000.00	164 906 512.80	3 981 487.20	2.36
15. Mines and Energy	207 925 000.00	31 634 000.00	(42 370 998.74)	197 188 001.26	187 246 968.43	9 941 032.83	5.04
16. Justice	423 429 000.00	14 061 000.00	(30 943 000.00)	406 547 000.00	405 117 384.19	1 429 615.81	0.35
17. Urban and Rural Development	1 952 362 000.00	958 566 000.00	(506 783 000.00)	2 404 145 000.00	2 290 285 357.17	113 859 642.83	4.74
18. Environment & Tourism	447 364 000.00	76 780 000.00	(38 441 000.00)	485 703 000.00	483 794 889.67	1 908 110.33	0.39
19. Industrialization, Trade and SME Development	635 219 000.00	56 790 000.00	(116 819 000.00)	575 190 000.00	557 744 712.44	17 445 287.56	3.03
20. Agriculture, Water and Forestry	2 186 404 000.00	394 788 000.00	(212 374 000.00)	2 368 818 000.00	2 422 471 872.13	(53 653 872.13)	(2.27)
21. Judiciary	398 968 000.00	51 604 000.00	(25 984 000.00)	424 588 000.00	422 913 304.67	1 674 695.33	0.39
22. Fisheries and Marine Resources	296 612 000.00	10 228 000.00	(8 042 000.00)	298 798 000.00	258 865 574.92	39 932 425.08	13.36
23. Works	477 076 000.00	278 994 313.00	(78 280 313.00)	677 790 000.00	716 518 808.17	(38 728 808.17)	(5.71)
24. Transport	3 723 994 000.00	71 154 000.00	(89 407 000.00)	3 705 741 000.00	3 698 967 039.43	6 773 960.57	0.18
25. Land Reform	453 424 000.00	1 044 000.00	(11 207 000.00)	443 261 000.00	416 537 839.59	26 723 160.41	6.03
26. National Planning Commission	176 984 000.00	-	(764 000.00)	176 220 000.00	172 473 811.97	3 746 188.03	2.13
27. Sport, Youth and National Service	384 963 000.00	124 146 443.00	(79 585 443.00)	429 524 000.00	426 021 815.23	3 502 184.77	0.82
28. Electoral Commission of Namibia	66 914 000.00	2 792 000.00	(1 796 000.00)	67 910 000.00	65 269 473.79	2 640 526.21	3.89
29. Information and Communication Technology	433 682 000.00	80 000 000.00	(4 400 000.00)	509 281 000.00	501 440 880.32	7 840 119.68	1.54
30. Anti-Corruption Commission	59 375 000.00	-	(207 000.00)	59 168 000.00	59 154 867.80	13 132.20	0.02
31. Veterans Affairs	921 349 000.00	-	(2 664 000.00)	918 685 000.00	917 653 627.83	1 031 372.17	0.11
32. Higher Education Training and Innovation	3 066 502 000.00	807 711 000.00	(9 000 000.00)	3 865 213 000.00	3 859 016 459.60	6 196 540.40	0.16
33. Poverty Eradication and Social Welfare	3 276 682 500.00	40 742 000.00	(494 000.00)	3 317 073 000.00	3 321 338 950.49	(4 265 950.49)	(0.13)
34. Public Enterprises	57 823 000.00	-	(5 383 000.00)	52 440 000.00	47 547 385.11	4 892 614.89	9.33
35. Attorney General	240 733 000.00	-	-	240 733 000.00	239 022 009.45	1 710 990.55	0.71
TOTAL	86 133 458 069.87	6 651 116 969.00	(2 649 133 867.74)	90 135 582 671.13	90 626 206 778.02	(490 621 106.89)	(0.54)

1.3.2 Summary of standard subdivisions

The statement below shows the amounts appropriated for the standard items of expenditure as reduced by the Treasury and the amounts actually spent in rendering the services for which the funds were appropriated in the appropriation act for the 2017/2018 financial year. Comparative actual expenditure figures for the previous financial year are also shown:

Subdivisions	2017/2018			2016/2017
	Authorized expenditure	Actual expenditure	Variance Under expenditure/(Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel (paragraph 1.3.3)				
001. Remuneration	24 583 547 846.08	25 341 561 241.35	(758 013 395.27)	23 471 321 995.47
002. Employer's contribution to staff's pension fund	2 829 151 981.00	2 878 673 952.93	(49 521 971.93)	2 535 202 391.61
003. Other conditions of service	832 246 999.00	869 176 608.14	(36 929 609.54)	676 528 074.47
004. Improvement of remuneration structure	25 000.00	17 386.33	7 613.67	1 081 632.22
005. Employer's contribution to the Social Security	88 307 317.00	81 621 457.17	6 685 859.83	23 409 564.63
Total	28 333 279 143.08	29 171 050 645.92	(837 771 503.84)	26 707 543 658.40
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	322 995 700.00	280 325 145.91	42 670 554.09	492 852 355.85
022. Materials and supplies	1 738 712 468.00	1 687 798 799.34	50 913 668.66	2 373 716 508.80
023. Transport	613 773 852.00	599 356 854.14	14 416 997.86	843 189 658.22
024. Utilities	1 164 420 896.00	1 158 220 999.65	6 199 896.35	1 139 323 432.72
025. Maintenance expenses	285 442 236.00	277 624 735.34	7 817 500.66	468 109 990.20
026. Property rental and related charges	299 948 283.00	277 286 203.40	22 662 079.60	304 223 366.36
027. Other services and expenses	3 773 471 061.92	3 803 015 220.03	(29 544 158.11)	2 110 303 684.42
Total	8 198 764 496.92	8 083 627 957.81	115 136 539.11	7 731 718 996.57
Current expenditure: Membership fees and Subscriptions				
041. International	128 872 420.00	121 154 073.43	7 718 346.57	110 500 792.68
042. Domestic	5 170 602.00	4 890 292.09	280 309.91	3 288 323.73
Total	134 043 022.00	126 044 365.52	7 998 656.48	113 789 116.41
Current expenditure: Subsidies grants and other transfers				
043. Government organizations	9 925 070 588.00	9 915 231 589.09	9 838 998.91	7 093 269 637.26
044. Individuals and non-profit organizations	7 905 018 117.00	7 925 154 257.96	(20 136 140.96)	7 903 476 222.05
045. Public and Debt Enterprises and Private Industries	872 653 285.00	871 078 124.75	1 575 160.25	904 654 126.53
Total	18 702 741 990.00	18 711 463 971.80	(8 721 981.80)	15 901 399 985.84
Total: Current expenditure	55 368 828 652.00	56 092 186 941.05	(723 358 289.05)	50 454 451 757.22

Standard Subdivisions

Subdivisions	2017/2018			2016/2017
	Authorized expenditure	Actual expenditure	Under expenditure/(Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	44 526 704.00	39 290 650.48	5 236 053.52	44 701 078.83
102. Vehicles	17 656 000.00	18 002 510.50	(346 510.50)	91 500 102.53
103. Operational equipment machinery and plant	112 775 777.00	112 665 891.76	109 885.24	518 222 527.66
Total	174 958 481.00	169 959 052.74	4 999 428.26	654 423 709.02
Total: Capital expenditure	174 958 481.00	169 959 052.74	4 999 428.26	654 423 709.02
Lending and equity participation				
175. Equity participation: Joint venture	22 450 000.00	22 449 917.41	82.59	26 442 665.59
Total	22 450 000.00	22 449 917.41	82.59	26 442 665.59
Total: Operational expenditure	55 566 237 133.00	56 284 595 911.20	(718 358 778.20)	51 135 318 131.83
Development:				
Capital expenditure: Goods and other services				
022. Materials and supplies	282 340 524.00	277 830 697.17	4 509 826.83	124 671 963.36
027. Other services and expenses	66 678 250.00	59 137 842.51	7 540 407.49	65 741 830.16
Total	349 018 774.00	336 968 539.68	12 050 234.32	190 413 793.52
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	48 656 000.00	38 934 538.30	9 721 461.70	45 561 012.97
102. Vehicles	4 663 000.00	4 162 011.13	500 988.87	-
103. Equipment machinery and plant	381 261 875.00	378 072 776.76	3 189 098.24	410 658 481.93
104. Purchase of buildings	81 500 000.00	81 500 000.00	-	3 600 000.00
105. Feasibility studies design and supervision	376 656 206.00	354 640 056.55	22 016 149.45	417 085 000.17
106. Land and intangible assets	12 139 369.00	10 235 978.55	1 903 390.45	9 188 665.75
107. Construction renovation and improvements	3 656 174 672.26	3 518 255 758.82	137 918 913.44	4 804 009 771.52
Total	4 561 051 122.26	4 385 801 120.11	175 250 002.15	5 690 102 932.34
Capital transfers				
131. Government organization	689 520 172.00	649 572 511.52	39 947 660.48	502 594 381.25
133. Public and departmental enterprises and private industries	221 484 900.00	221 484 900.00	-	251 273 032.91
134. Abroad	154 809 000.00	154 367 304.17	441 695.83	105 767 489.62
Total	1 065 814 072.00	1 025 424 715.69	40 389 356.31	859 634 903.78
Total Development expenditure	5 975 883 968.26	5 748 194 375.48	227 689 592.78	6 740 151 629.64
TOTAL	61 542 121 101.26	62 032 790 277.08	(490 669 185.82)	57 875 469 761.47

1.3.3 Personnel costs

The personnel costs totaled N\$ 29 171 050 645.92 for the year under review. It represents 47.03% of the total actual expenditure of N\$ 62 032 790 286.68 (excluding Statutory Expenditure) charged to the State Revenue Fund in 2017/2018. In the previous financial year, personnel costs totaled N\$ 26 707 543 658.37 (46.17%) and the year before N\$ 23 960 800 428.72 (38.64%).

The actual expenditure of N\$ 29 171 050 645.92 in 2017/2018 is N\$ 837 771 502.84 (2.96%) more than the authorized amount of N\$ 28 333 279 143.08 compared with an overspending of N\$ 2 026 514 527.82 (8.21%) in the previous year.

1.4. STANDING APPROPRIATION
1.4.1 Summary

In addition to expenditure incurred in terms of annual appropriation act expenditure was also charged to the State Revenue Fund in terms of standing appropriations in the legislation. The following is a summary of the estimates for 2017/2018 for standing charges and the actual expenditure and also indicates the relevant legislation:

Purpose	Legislation and other authorization of which the expenditure was incurred	OMA involved	Amounts estimated in the latest tabled estimates	Expenditure incurred	Variations Under/over expenditure	Actual expenditure 2016/2017
			N\$	N\$	N\$	N\$
Domestic Interest Payments	State Finance Act (Act, 31 of 1991)	Finance	3 637 703 507.21	3 637 703 507.21	-	2 831 231 858.81
Foreign Interest Payments			1 784 697 819.59	1 784 697 819.59	-	1 478 885 117.40
Foreign exchange			-	(46 078.53)	46 078.53	-
Total interest payment			5 422 401 326.80	5 422 355 248.27	46 078.53	4 310 116 976.21
Domestic Debt (Repayment of Principal)	Section 29 and 36		22 579 026 838.86	22 579 026 838.86	-	18 112 645 857.12
Foreign Debt (Repayment of Principal)			340 198 437.59	340 198 437.59	-	386 947 263.14
Total loan repayments			22 919 225 276.45	22 919 225 276.45	-	18 499 593 120.26
Oddlot-Switch Auction			588 585.00	588 585.00	-	251 871.20
Borrowing related charges			8 077 734.05	8 077 734.05	-	1 070 745.29
Guarantees			243 169 647.57	243 169 647.57	-	40 858 102.69
Total			251 835 966.62	251 835 966.62	-	42 180 719.18
Total expenditure			28 593 462 569.87	28 593 416 491.34	46 078.53	22 851 890 815.65

1.4.2 REVENUE STATEMENT

1.4.2.1 Summary of revenue

The statement below prepared by the Permanent Secretary: Finance in terms of Section 12(1) and 12(2) of the State Finance Act, 1991 (Act 31 of 1991) reflects the revenue received in the State Revenue Fund during the 2017/2018 financial year. It is shown under the various heads of revenue referred to in the revised estimate of revenue presented to Parliament:

	Revenue head	Estimate	Revenue received 2017/2018	Less/(More) than estimated	Revenue received 2016/2017
		N\$	N\$	N\$	N\$
30 0001	TAX REVENUE				
	Taxes on income and profits				
	601. Income tax on individuals				
	6010. Normal income tax on individuals	10 715 425 264.00	13 267 277 972.91	(2 551 852 708.91)	12 002 136 948.20
		10 715 425 264.00	13 267 277 972.91	(2 551 852 708.91)	12 002 136 948.20
	602. Company taxes				
	6021. Diamond mining companies	2 055 839 492.00	1 653 945 825.96	401 893 666.04	1 611 304 607.05
	6022. Other mining companies	122 272 027.00	256 010 031.41	(133 738 004.41)	91 667 694.05
	6023. Non-mining companies	5 655 260 076.00	5 950 137 250.25	(294 877 174.25)	6 005 517 710.07
		7 833 371 595.00	7 860 093 107.62	(26 721 512.62)	7 708 490 011.17
	603. Other taxes on income and profits				
	6031. Non-resident shareholders tax	173 197 693.00	183 135 684.14	(9 937 991.14)	265 506 002.52
	6032. Tax on royalties	63 354 954.00	96 024 576.66	(32 669 622.66)	87 099 206.28
	6033. Annual levy on gambling income	23 810 949.00	29 669 073.12	(5 858 124.12)	21 255 154.53
		260 363 596.00	308 829 333.92	(48 465 737.92)	373 860 363.33
	604. Withholding tax on interests				
	6044. Withholding Tax on Companies and individuals	115 296 130.00	331 418 289.79	(216 122 159.79)	290 380 222.83
	6045. Withholding Tax on Unit Trusts	99 556 106.00	83 418 533.91	16 137 572.09	83 645 439.00
	6046. Withholding Tax on Services	137 107 707.00	96 295 265.00	40 812 442.00	148 317 384.00
		351 959 943.00	511 132 088.70	(159 172 145.70)	522 343 045.83
	TOTAL: Taxes on income and profits	19 161 120 398.00	21 947 332 503.15	(2 786 212 105.15)	20 606 830 368.53
0002	Taxes on property				
	6040. Transfer duties	292 195 884.00	269 543 528.08	22 652 355.92	283 991 180.09
	627. Land Tax	-	10 000.00	(10 000.00)	-
	TOTAL: Taxes on property	292 195 884.00	269 553 528.08	22 642 355.92	283 991 180.09

	Revenue head	Estimate N\$	Revenue received 2017/2018 N\$	Less/(More) than estimated N\$	Revenue received 2016/2017 N\$
0003	Domestic taxes on goods and services				
	605. Value added tax	13 740 940 396.00	12 049 401 222.08	1 691 539 173.92	11 978 091 047.02
	606. Additional Sale Levy	-	100.00	(100.00)	-
	607. Levy on fuel	109 136 644.00	342 236 518.30	(233 099 874.30)	314 925 741.98
	608. Liquor licenses	-	(3 674 869.32)	3 674 869.32	23 368 043.80
	609. Fishing boats and factory licenses	-	115 257.80	(115 257.80)	-
	610. Hunting and fishing licenses	-	426 291.50	(426 291.50)	-
	611. Prospecting licenses and claims	-	1 915 235.55	(1 915 235.55)	50.00
	612. Fishing quota levies	122 875 000.00	145 313 009.66	(22 438 009.66)	-
	613. Gambling licenses	2 000 000.00	4 225 030.81	(2 225 030.81)	1 691 155.00
	628. Environmental Levies and Carbon emissions Taxes	157 500 000.00	-	157 500 000.00	-
	629. Park Entrance Fees	-	64 498 884.49	(64 498 884.49)	-
	630. Other Taxes On Goods And Services	17 625 279.18	-	17 625 279.18	-
	TOTAL: Domestic taxes on goods and services	14 150 077 319.18	12 604 456 680.87	1 545 620 638.31	12 316 384 882.80
0004	Taxes on international trade and transactions				
	615. Customs Revenue Pool share	19 597 423 000.00	19 597 422 509.00	491.00	14 070 729 689.00
	TOTAL: Taxes on international trade and transactions	19 597 423 000.00	19 597 422 509.00	491.00	14 070 729 689.00
0005	Other taxes				
	617. Stamp duties and fees	299 000 000.00	171 357 777.02	127 642 222.98	183 024 378.57
	TOTAL: Other taxes	299 000 000.00	171 357 777.02	127 642 222.98	183 024 378.57
	TOTAL TAX REVENUE	53 499 816 601.18	54 590 122 998.12	(1 090 306 396.94)	47 462 651 653.99
31	NON-TAX REVENUE				
0020	Entrepreneurial and property income				
	618. Interest receipts for loans extended to:	8 842 973.00	-	8 842 973.00	-
	6183. Municipalities and regional authorities	-	3 391 254.71	(3 391 254.71)	1 093 010.37
	6186. On-lending arrangements	-	6 561 606.19	(6 561 606.19)	4 224 208.53
	619. Interest on investments	83 323 113.00	1 255 950.89	82 067 162.11	-
	620. Dividends and profit share:	745 033 927.00	-	745 033 927.00	-
	6202. Bank of Namibia	-	281 259 364.29	(281 259 364.29)	76 476 677.82
	6203. NAMDEB	-	800 000 000.00	(800 000 000.00)	847 000 000.00
	6209. Namibia Re-insurance Corp	-	5 000 000.00	(5 000 000.00)	3 500 000.00
	6213. Namibia Diamonds Trading Company	-	150 000 000.00	(150 000 000.00)	-
	621. Interest On State Account Balances With Bank Of Namibia	31 427 467.00	23 519 913.75	7 907 553.25	4 601 845.34
	623. Diamond royalties	976 182 294.00	1 203 415 213.41	(227 232 919.41)	-
	625. Other mineral royalties	-	342 771 145.55	(342 771 145.55)	-
	TOTAL: Entrepreneurial and property income	1 844 809 774.00	2 817 174 448.79	(972 364 674.79)	936 895 742.06

	Revenue head	Estimate N\$	Revenue received	Less/(More)	Revenue received
			2017/2018 N\$	than estimated N\$	2016/2017 N\$
	624. Fines and forfeitures	98 432 289.00	94 798 820.42	3 633 468.58	66 586 544.16
	TOTAL: Fines and forfeitures	98 432 289.00	94 798 820.42	3 633 468.58	66 586 544.16
	Administrative fees charges and incidental sales				
	0122. President	50 000.00	3 630 323.96	(3 580 323.96)	481 508.75
	0222. Prime Minister	3 338 000.00	2 282 362.42	1 055 637.58	2 935 952.80
	0322. National Assembly	7 000.00	579 474.78	(572 474.78)	15 530.24
	0422. Auditor-General	1 375 000.00	1 963 147.55	(588 147.55)	1 932 486.21
	0522. Home Affairs and Immigration	78 035 180.00	76 996 927.69	1 038 252.31	67 440 843.05
	0622. Safety and Security	10 059 500.00	24 828 617.17	(14 769 117.17)	15 582 739.19
	0722. International Relations and Cooperation	80 000.00	1 033 970.22	(953 970.22)	38 318.28
	0822. Defence	2 100 444.00	10 742 520.48	(8 642 076.48)	17 743 574.82
	0922. Finance	386 629 288.00	763 828 888.62	(377 199 600.62)	490 527 055.79
	1022. Education Arts and Culture	41 716 695.00	129 901 764.58	(88 185 069.58)	43 681 053.14
	1122. National Council	-	204 256.19	(204 256.19)	47 480.27
	1222. Gender Equality and Child Welfare	191 000.00	1 644 621.53	(1 453 621.53)	632 333.84
	1322. Health and Social Services	71 128 066.00	94 909 357.08	(23 781 291.08)	69 868 284.31
	1422. Labour, Industrial Relations and Employment Creation	120 000.00	1 140 016.81	(1 020 016.81)	229 356.69
	1522. Mines and Energy	11 200 000.00	28 959 226.76	(17 759 226.76)	1 388 282 552.02
	1622. Justice	705 000.00	4 392 035.10	(3 687 035.10)	773 390.37
	1722. Urban and Rural Development	2 571 800.00	4 280 633.22	(1 708 833.22)	602 153.09
	1822. Environment and Tourism	7 577 500.00	9 853 066.10	(2 275 566.10)	77 540 024.37
	1922. Industrialization Trade and SME Development	-	596 779.23	(596 779.23)	106 306.10
	2022. Agriculture, Water and Forestry	25 151 000.00	35 929 017.31	(10 778 017.31)	32 394 840.68
	2122. Judiciary	2 606 500.00	4 070 030.69	(1 463 530.69)	4 641 367.94
	2222. Fisheries and Marine Resources	131 701 500.00	552 975.51	131 148 524.49	110 044 622.90
	2322. Works	22 479 609.00	40 755 121.69	(18 275 512.69)	46 334 577.27
	2422. Transport	770 894.00	4 257 773.33	(3 486 879.33)	1 484 461.21
	2522. Land Reform	7 430 000.00	11 273 932.07	(3 843 932.07)	3 224 233.72
	2622. National Planning Commission	25 000.00	269 855.97	(244 855.97)	70 359.32
	2722. Sport, Youth and National Services	2 970 000.00	2 609 911.59	360 088.41	1 403 692.40
	2822. Electoral Commission	3 000.00	961 371.56	(958 371.56)	32 397.37
	2922. Information and Communication Technology	715 000.00	1 124 037.58	(409 037.58)	683 042.28
	3022. Anti-Corruption Commission	20 000.00	78 396.54	(58 396.54)	(31 764.97)

	Revenue head	Estimate	Revenue received	Less/(More)	Revenue received
		N\$	2017/2018	than estimated	2016/2017
		N\$	N\$	N\$	N\$
	3122. Veterans Affairs	36 190.00	123 837.20	(87 647.20)	20 491.68
	3222. Higher Education	-	371 254.60	(371 254.60)	6 000.00
	3322. Poverty Eradication and Social Welfare	120 000.00	2 567 526.31	(2 447 526.31)	2 772 366.52
	3422. Public Enterprises	2 000.00	8 087.85	(6 087.85)	-
	3522. Attorney General	90 000.00	283 341.01	(193 341.01)	689 494.14
	TOTAL: Administrative fees and charges and incidental sales	811 005 166.00	1 267 004 460.30	(455 999 294.21)	2 382 231 125.79
	TOTAL NON-TAX REVENUE	2 754 247 229.00	4 178 977 729.51	(1 424 730 500.51)	3 385 713 412.01
32	RETURN OF CAPITAL FROM LENDING AND EQUITY PARTICIPATION				
0030	Receipts of principal of loans from:				
	903. Municipalities and regional authorities	1 414 631.00	3 858 412.06	(2 443 781.06)	2 125 709.26
	905. Low cost housing and self-build schemes	-	2 881 036.50	(2 881 036.50)	2 748 558.09
	906. On-lending arrangements	6 552 921.00	56 091 235.62	(49 538 314.62)	11 244 809.58
	907. Government organizations, public enterprises and non-profit organizations	32 448.00	-	32 448.00	-
	TOTAL: Return of capital from lending and equity participation	8 000 000.00	62 830 684.18	(54 830 684.18)	16 119 076.93
33	EXTERNAL GRANTS				
0040	910. Recurrent activities – Tied grants	162 718 000.00	-	162 718 000.00	-
	911. Development Projects - Tied grants	-	57 550.72	(57 550.72)	-
	TOTAL: External grants	162 718 000.00	57 550.72	162 660 449.28	-
34	BORROWINGS				
0042	Domestic				
	9120. Treasury bills	26 847 896 854.23	26 847 896 854.23	-	20 238 214 949.21
	9121. Internal registered stock (Bonds)	3 006 684 160.16	3 006 684 160.16	-	6 698 905 130.52
	TOTAL: Domestic borrowings	29 854 581 014.39	29 854 581 014.39	-	26 937 120 079.73
0043	External				
	9121. Internal registered stock (Bonds)	4 653 758 937.67	4 653 758 937.67	-	3 357 754 741.30
	Total External Borrowing	4 653 758 937.67	4 653 758 937.67	-	3 357 754 741.30
	TOTAL: Borrowings	34 508 339 952.06	34 508 339 952.06	-	30 294 874 821.03
	TOTAL REVENUE	90 933 121 782.24	93 340 328 914.59	(2 407 207 132.35)	81 159 358 963.96

1.4.2.2 Explanations for deviations exceeding N\$ 400 000

The following explanations were provided by the Accounting Officer: Finance in respect of variations in excess of N\$ 400 000 between the estimate and actual revenue:

Code	Tax revenue	Explanation
30.0001.6010	Normal income tax on individuals	The major contributor to an excess tax collection for individuals is the Tax Arrear Recovery Incentive Programme which was introduced and launched to induce payment of taxes owed by noncompliant taxpayers by primarily offering an abatement of all the penalties and some of the interest associated with unpaid tax liabilities subject to predetermined qualifying criteria.
30.0001.6021	Diamond mining companies	The negative variance of roughly 20% in the Diamond Mining tax collection was brought about by an overestimation of 28% increase from the actual collection of the preceding year. In the year 2016/2017 an actual tax collection from diamond mining amounted to N\$ 1 611 304 607. The global demand for diamonds is expected to grow at approximately one to four percent per year. The revenue estimate was higher than the expected global growth.
30.0001.6022	Other mining companies	Based on the analysis of the performance of Other Mining companies done by Inland Revenue Department the companies in the lead and zinc mining operations had a relatively good year in terms of operating profits. The excess tax collection is thus largely attributable to the tax payments made by the lead and zinc mining companies.
30.0001.6023	Non-mining companies	The financial year 2018 was characterized by a downturn in the construction industry as well as the Automotive Industry. A research conducted by IJG shows a slowdown in the car sales experienced in the 12 month cumulative sales. These findings explain the slightly low tax payments made from these industries hence the negative variance.
30.0001.6031	Non Resident shareholders	As compared to the previous financial year most companies with foreign shareholding that attained profits did not retain such profits for reinvestment in the business operations but rather opted to declare and pay-out dividends to the owners. There was an overall increase in dividend distribution to shareholders of which only foreign shareholders are taxed. This resulted in a direct increase in the collection of Non-Resident Shareholders Tax.
30.0001.6032	Tax on Royalties	The tax on royalties exceeded the estimate as a result of 20 companies that paid in the year under review but did not pay in the previous year on the grounds of either being a new entrant into the market or based on the agreed terms of payments.

Code	Tax revenue	Explanation
30.0001.6033	Annual levy on gambling income	The Ministry estimated an income of N\$ 23 810 949 for the financial year under review. An amount of N\$ 29 669 073 was collected which resulted in a surplus of N\$ 5 858 124. The Ministry collects monthly levies on the income from gambling machines. A rate of 5% that has been charged for levies has increased to 10% from May 2017.
30.0001.6044	Withholding Tax on Companies and Individuals	The positive variance is largely attributable to withholding tax on foreign interest. The tax payments analysis revealed that most of the payments were made by companies connected to foreign based entities. This withholding tax includes related finance charges payable in terms of financial arrangements and also amounts payable in terms of any lending arrangement as represents compensation for which the lender would have been entitled.
30.0001.6045	Withholding Tax on Unit Trust	The decline in Unit trust investments contributed to the low collection in interest taxation. As compared to the actual for the preceding year it transpired that investors earned more interest in the year 2017.
30.0001.6046	Withholding Tax on Services	The industries that contributed high amounts in the prior financial year are mining and entertainment. During the year under review the companies in these industries reduced the usage of foreign consultants and services providers drastically this then caused a negative variance in the tax revenue collection.
30.0002.6040	Transfer Duties	As a consequence of the low growth in the economy the property market was affected when resulted in low sales in the industry. This trend affected the collection of transfer duty on applicable assets.
30.0003.605	Value added tax	The Ministry issued a 'non-optional non compromise' directive that any tax refund irrespective of the amount tax type or taxpayer should be subject to a verification or audit process in order to ascertain correctness and assurance that indeed the amount is due and payable to a taxpayer. This resulted in the reduction of tax refunds as a percentage of gross revenue for the year and thus contributed significantly to a positive variance. The introduction and implementation of the Tax Arrear Recovery Incentive Programme contributed to the settlement of VAT debts during the year.
30.0003.607	Levy on fuel	This is a tax/levy determined by the Ministry of Mines and Energy. The variance of N\$ 233 099 874.30 is due to an increase in fuel levy rate that was implemented in November 2017 and a high demand experienced during the period under review as well as the exchange rate fluctuations. It can also be attributed to the fact that most fuel companies paid their arrears during the financial year under review.

Code	Tax revenue	Explanation
30.0003.608	Liquor Licenses	The surplus on revenue was due to awareness efforts and increased consumption of liquor which led to increase in applications for liquor license.
30.0003.610	Hunting and Fishing Licenses	Under this revenue head the Ministry of Fisheries and Marine Resources managed to collect an amount of N\$ 426 291.50. However, the Ministry of Fisheries and Marine Resources noticed that no Revenue Estimates were recorded in the General Ledger for the 2017/2018 financial year on this revenue head. It should be mentioned that the Ministry did submit the Revenue Estimates for the 2017/2018 financial year during the budget process but it was recorded on a wrong budget form. Instead of recording it on the revenue head Tax Revenue it was recorded under the revenue head Non Tax Revenue and as a result of this we have variances exceeding N\$ 400 000 on this revenue head for the 2017/2018 financial year.
30.0003.611	Prospecting Licenses and claims	An amount of N\$1 923 834.28 was collected during the period under review. This was attributed by the underestimation of exploration activities by the mining companies whereby more exploration applications were received than anticipated. Hence more collection than estimated amount.
30.0003.612	Fishing quota levies	An amount of N\$ 122 875 000 was estimated to be collected during the 2017/2018 financial year; However, Ministry of Fisheries and Marine Resources only managed to collect an amount of N\$ 145 313 009.66. The over collection can be attributed to the fact that the fishing companies are honoring their commitment to pay their outstanding quota fees.
30.0003.613	Gambling Income	A surplus was caused by the flat rate of N\$ 100 000 that was introduced for the casino license fees and N\$ 10 000 for the gambling houses. Fees per machine were increased from N\$ 250 and N\$ 500 for the first 5 and 10 machined respectively to N\$ 1000 per machine. This was implemented with effect from April 2017.
30.0003.629	Park Entrance Fees	The variance on the park entrance fees was due to more visitors entered the parks than expected.
30.0005.617	Stamp duties and fees	Most of the instruments that attract high stamp duties were traded on a licensed stock exchange which is exempted from these duties. Furthermore, the overall low growth in the economy and investment opportunities contributed largely to a decline in the tax collection.
31.0020.618.0000	Default	The variances are caused due to the fact that no loans were granted to Local Authorities since Independence. The trend of payments on the pre-independent loans is uncertain. Hence the zero estimate.
31.0020.6183	Loans granted to Municipalities and Regional Authorities	
31.0020.618.6186	On-Lending Arrangements: Interest	The economy is not doing well therefore SOEs could not repay their loans.

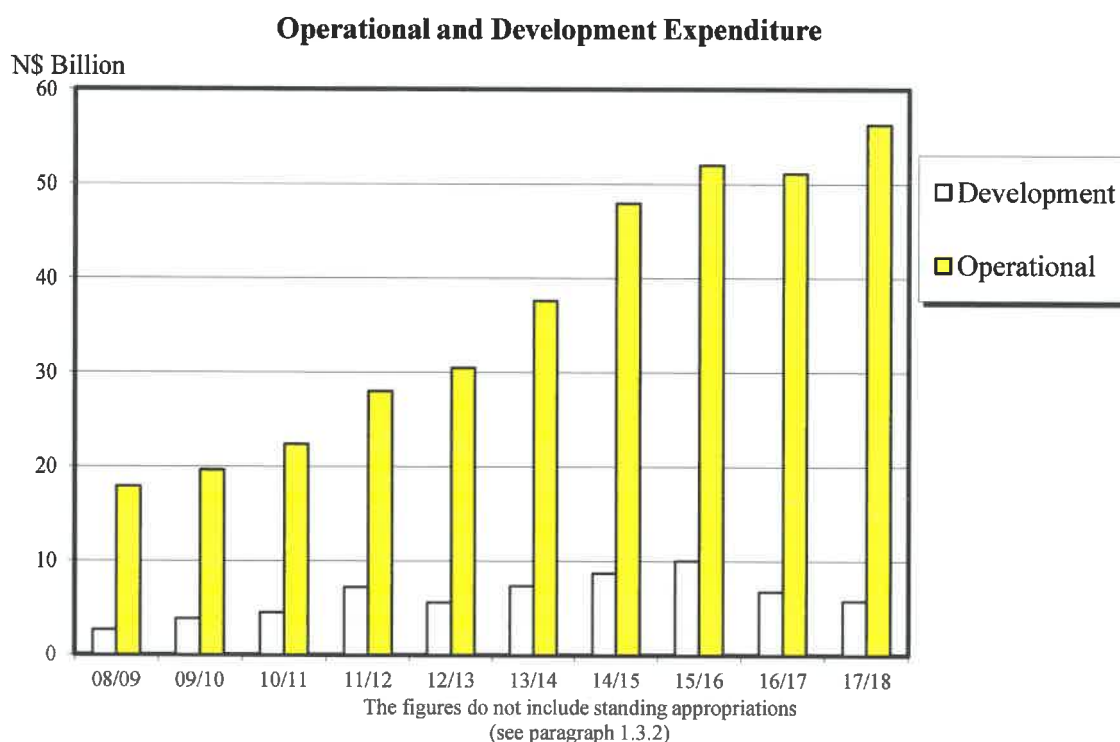
Code	Tax revenue	Explanation
31.0020.619.0000	Interest on Investments: Default	This amount is estimated as interest earned on the Internal Register Stock account. The interest earned on this account was used to redeem bond.
31.0020.620.0000	Dividends and profit share: Default	The SOEs indicated that they were not expecting to make a profit hence zero estimate. However, business performed well and they were able to pay dividends.
31.0020.6202	Bank of Namibia	
31.0020.620.6203	Namdeb	
31.0020.620.6209	Namibia Re-insurance Corp	
31.0020.620.6213	Namibia Diamonds Trading Company	
31.0020.000000.621	Interest on State Account balances with Bank of Namibia	Government estimated more interest, however, due to reduced deposits and the negative State Account balance during the 2017/2018 financial year less interest was received.
31.0020.623	Diamond royalties	Diamond Royalties collected during the 2017/2018 financial year was N\$ 1 203 415 213.41 which is more than the estimated amount of N\$ 976 182 294.00. The difference was caused by the outcome of favorable diamond prices and exchange rate in the market. It is a fact that any development in commodity markets whether positive or negative, affects the revenue collection. The fact that trading of commodities is done externally transactions are subject to the performance of the USD. These factors are difficult to anticipate during budgeting so that exact amounts can be estimated. Hence the variation of N\$ 227 232 919.41.
31.0020.625	Other mineral royalties	The increase in royalties' collection was attributed to the favorable commodity prices with specific to precious metal. Additionally Swakop Uranium was commissioned during the period under review which increased the production of the company and subsequently an increase in royalty payment.
31.1722.905.000000	Low cost housing	Budget estimate amount was under this vote code but collection was recorded under revenue code 32.0030.905.000000.
32.0030.905	Low cost housing	There is no budget estimate amount under this vote code but collection was recorded to this code because the receipts are paid directly by beneficiaries/principal loan repayment for their build together homes. More loans repayments were received from Decentralized Build Together Programme houses and settlement of some bonds.
32.0030.906	On-Lending Arrangements:	The variances are caused due to the fact that Road Fund Administration prepaid a portion of their loan.
33.0040.910	Recurrent activity – Tied grants	No grant funding was received from donors as expected.

2. GENERAL INFORMATION

2.1 Expenditure vs revenue and public debt of the Government

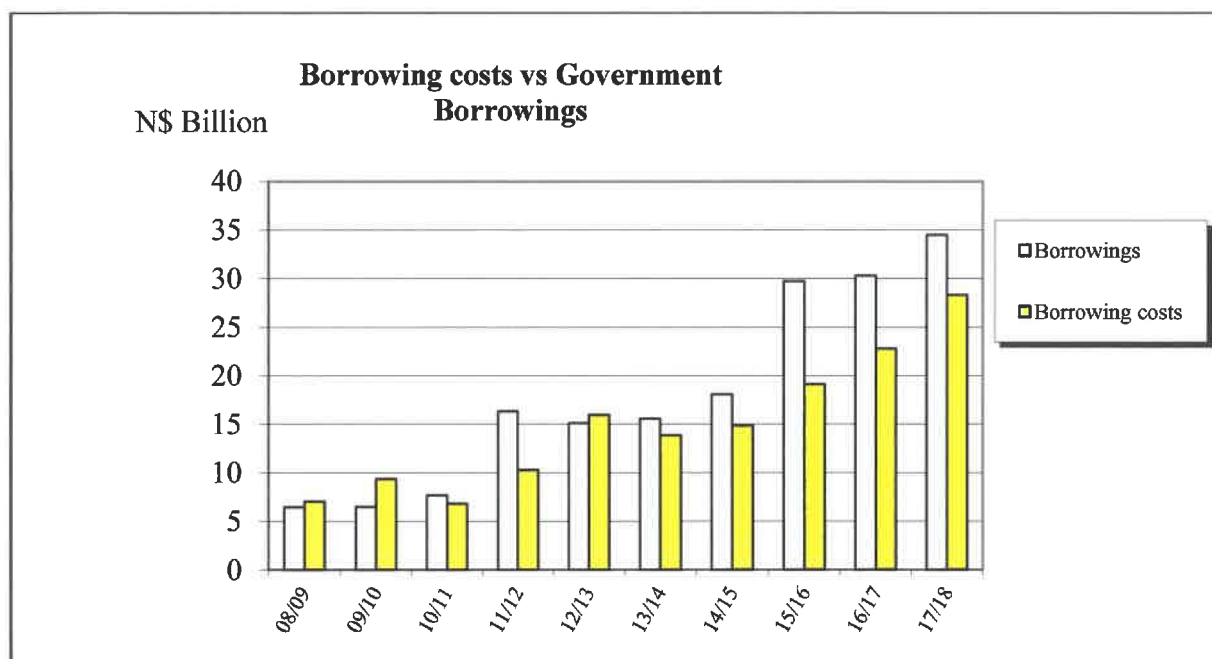
The charts below show the trend in development and operational expenditure, expenditure related to borrowings vs Government borrowings, interest paid on borrowings vs Government borrowings and revenue vs expenditure during the financial years 2008/2009 to 2017/2018:

(i) Operational and development expenditure



As per the graph above during the year under review N\$ 56 284 595 901.20 was spent on Operational Expenditure showing an increase of 10.07% from prior year of N\$ 51 135 318 131.83, while N\$ 5 748 194 375.48 was spent on Development Expenditure indicating a decrease of 14.72% from prior year of N\$ 6 740 151 629.64.

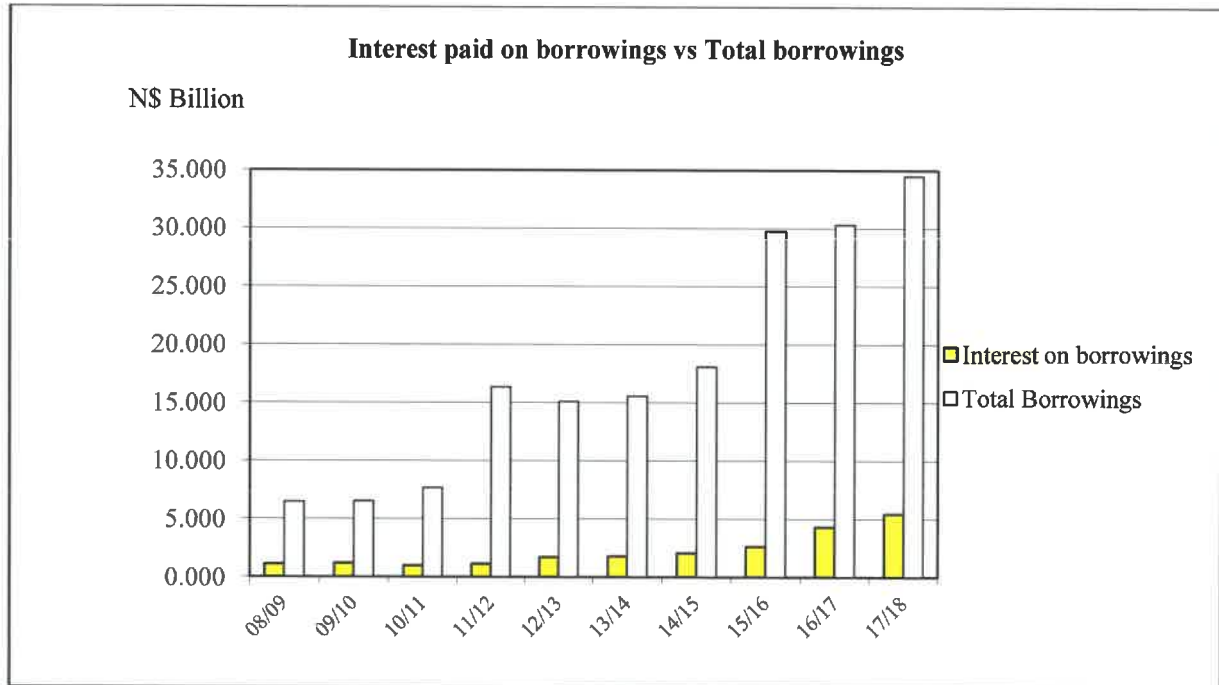
(ii) Borrowing cost vs Government Borrowings



See paragraphs 1.4.1 and 1.4.2

As per the graph above the total Government borrowing amounted to N\$ 34 508 339 952.06 compared to N\$ 30 294 874 821.03 the previous year. (2017: N\$ 30 294 874 821.03) while borrowing cost for the year under review amounted to N\$ 28 593 416 491.34 (2017: N\$ 22 851 890 815.65) resulting in an increase of 25.12% from prior year. The total borrowings increased by 13.91%.

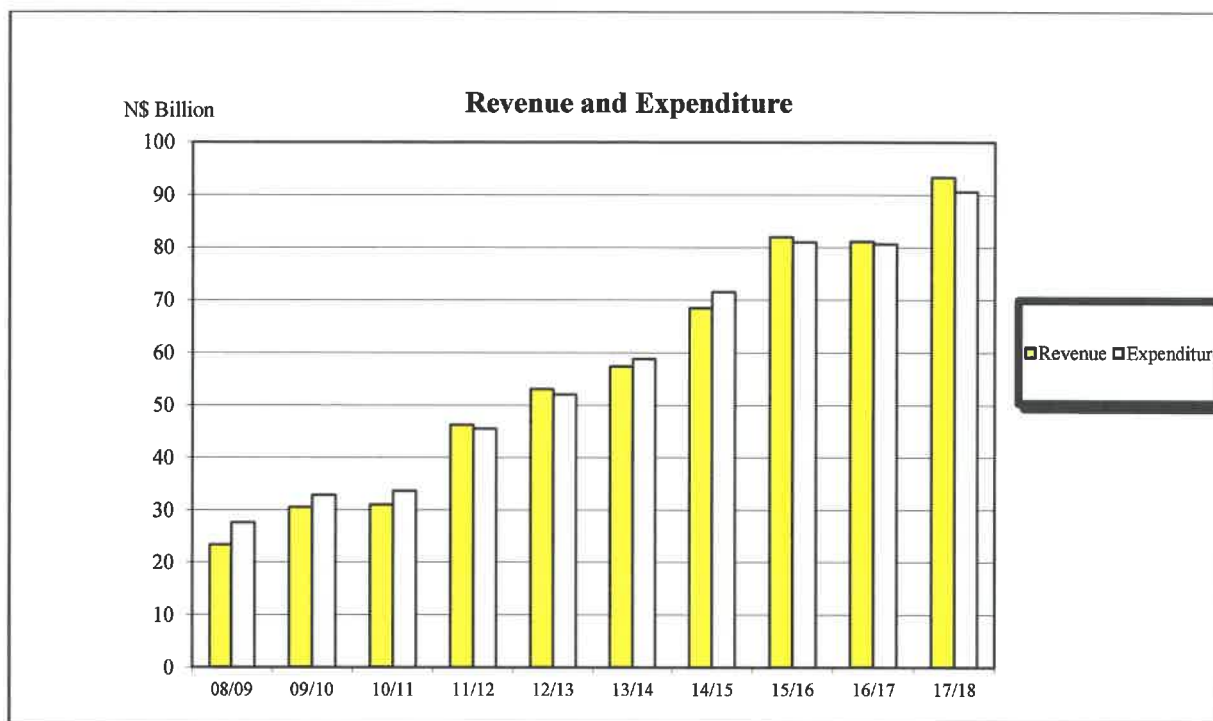
(iii) Interest paid on Borrowings vs Borrowings



See paragraphs 1.4.2 and 2.4

As per the graph above, the total Government borrowings amounted to N\$ 34 508 339 952.06 compared to N\$ 30 294 874 821.03 the previous year and N\$ 5 542 355 248.27 interest was paid for the year under review compared to prior year (2017: N\$ 4 310 116 976.21) resulting in an increase of 25.81% of interest obligation.

(iv) Revenue vs Expenditure



See paragraph 1.3.1 and 1.4.2

As per the graph above expenditure comprises actual expenditure on all vote accounts and expenditure under Standing Appropriations. Revenue increased from N\$ 81 159 358 963.96 to N\$ 93 340 328 914.50 (15.01%) between 2016/2017 and 2017/2018 respectively whereas expenditure increased from N\$ 80 727 360 577.12 to N\$ 90 626 206 778.02 (12.26%) during the year under review.

2.2 INVESTMENTS

The Accounting Officer: Finance reported long and short investments as follows:

(i) Long-Term

Nature of Investments	Institution	Initial Investment Amount			Previously Transferred to State	Previously Interest Received	Balance as at 01 April 2017			Interest Received During 2017/18 USD			Balance as at 31 March 2018		
		USD	EX RATE	N\$			USD	EX RATE	N\$	EX RATE	N\$	USD	USD	EX RATE	N\$
Long term	Bank of Namibia	491 024 203.00	14.946	7 338 847 738.04	191 000 000.00	1 951 838.65	301 976 041.65	13.314	4 020 509 018.53	-	-	2 216 569.53	304 192 611.18	11.7538	3 575 419 113.29
		491 024 203.00	14.946	7 338 700 430.78	191 000 000.00	1 951 838.65	301 976 041.65	13.314	4 020 629 808.94	-	-	2 216 569.53	304 192 611.18	11.7538	3 575 419 113.29
Total															

Note: Take note that this portfolio is denominated in USD. Hence, the conversion will only be done using spot rate at the beginning of the period and at the end of reporting Period.

(ii) Short-Term

Nature of investments	Institution	Initial investment amount	Interest earned	Balance as at 01-Apr -2017	Withdrawals During 2017/18	Further Investment During 2017/18	Interest Received During 2017/18	Balance as at 31-Mar-2018
Short term	Bank of Namibia	N\$ 1 650 000 000.00	N\$ 3 759 287.67	N\$ -	N\$ 1 653 759 287.67	N\$ -	N\$ 1 255 950.89	N\$ -
Total		1 650 000 000.00	3 759 287.67	-	1 653 759 287.67	-	1 255 950.89	-

The short-term investment is part of funding from the African Development Bank. In accordance with the State Finance Act, Section 10, the Accounting Officer may withdraw amounts of money from the State Account that is not required for immediate use for investment at any financial institution.

These funds were kept in a separate account at the Bank of Namibia. Interest earned from 4-31 July 2017 amounted to N\$ 3 759 287.67 was capitalized and the interest from 1-10 August amounted to N\$ 1 255 950.89 was paid to State Account on 6 September 2017.

2.3 DEBT TO THE GOVERNMENT

2.3.1 Loans

The Ministry of Finance administers the following loans given by the Government:

(i) Summary of On-lending And Return Of Capital From On-Lending

Name of institution	Purpose of loan	Term Years	Interest Rate %	Balance as at 1 April 2017 N\$	Payments and other debits during the year 2017/18 N\$	Redemption received and other credits during the year 2017/18 N\$	Balance as at 31-Mar-18 N\$	Interest received during the year 2017/18 N\$	Arrears as at 31 March 2018	
									Principal N\$	Interest N\$
Seaflower Whitefish Corporation City of Windhoek	Seaflower Fisheries Project	40	2	8 379 325.60	-	-	8 379 325.60	-	2 681 382.00	3 142 250.00
	Windhoek Infrastructure 1	15	10	30 264 800.00	-	-	30 264 800.00	-	30 231 958.00	41 318 000.00
	Windhoek Infrastructure 2	20	10	100 351 600.00	-	-	100 351 600.00	-	86 909 216.00	151 423 311.00
	Windhoek water reclamation	30	7	49 254 000.00	-	-	49 254 000.00	-	23 108 371.00	42 231 957.00
	Windhoek Urban Infrastructure	11	16	182 424 600.00	-	-	182 424 600.00	-	160 587 870.00	397 124 365.00
Namibia Ports Authority Namibia Water Corporation	Upgrading of Commercial port Walvis Bay	30	7	6 534 720.92	-	1 867 066.00	4 667 654.92	162 740.63	-	-
	Government Loan	10	15	5 745 566.38	-	-	5 745 566.38	-	5 745 557.51	2 101 817.85
	Water supply Project A	10	10	8 842 714.74	-	-	8 842 714.74	-	8 842 815.72	2 611 830.40
	Water supply Project B	11	15	10 391 104.68	-	-	10 391 104.68	-	10 391 104.58	3 341 802.23
National Housing Enterprise	Low costs housing		free	31 801 100.00	-	-	31 801 100.00	-	23 850 792.00	-
Namibia Post Ltd TransNamib Holdings Ltd Road Fund Administration Agricultural Bank of Namibia	extension of payment services	30	7	7 589 003.26	-	266 280.82	7 322 722.44	55 194.49	-	-
	Purchase of railway equipment	10	3	207 792 805.10	-	-	207 792 805.10	-	176 250 130.00	73 813 522.00
	Budget sector support : transport	20	2	89 276 821.73	-	44 800 000.00	44 476 821.73	2 678 304.66	-	-
	Credit lines	21	2	183 268 320.44	-	9 157 888.80	174 110 431.64	3 665 366.41	-	-
TOTAL				921 916 482.85		56 091 235.62	865 825 247.23	6 561 606.19	528 599 196.81	717 108 855.48

(ii) Loans Granted to Government Organizations, Public Enterprises and Non-Profit Organizations, Municipalities, Towns and Villages

Loans Granted To Municipalities: Capital

Name of Institution	Balance as at 01/04/2017	Redemption received and other credits during the year	Balance as at 31/03/2018	Arrear as at 31/03/2018
	N\$	N\$	N\$	N\$
Gobabis	3 921 316.40	164 900.95	3 756 415.45	-
Grootfontein	2 575 632.51	-	2 575 632.51	65 822.77
Karasburg	2 485.75	2 916.17	(430.42)	8 131.43
Karibib	1 883 149.08	-	1 883 149.08	963 060.37
Keetmanshoop	2 543 598.23	-	2 543 598.23	1 109 071.87
Mariental	3 507 336.48	-	3 507 336.48	1 260 574.44
Okahandja	1 575 231.63	-	1 575 231.63	780 219.25
Omaruru	1 689 239.41	-	1 689 239.41	459 444.19
Otavi	989 656.17	-	989 656.17	334 689.03
Otjiwarongo	1 951 419.31	135 840.54	1 815 578.77	-
Outjo	1 475 831.15	-	1 475 831.15	558 857.41
Swakopmund	4 437 932.97	292 521.30	4 145 411.67	-
Tsumeb	10 077 620.74	-	10 077 620.74	3 941 755.30
Usakos	1 323 396.99	-	1 323 396.99	798 957.14
WalvisBay	2 170 597.79	113 705.68	2 056 892.11	-
Windhoek	10 730 934.73	3 147 809.52	7 583 125.21	1 781 947.38
Total	50 855 379.34	3 857 694.16	46 997 685.18	12 062 530.58

Loans Granted to Municipalities: Interest Payment

Name of Institution	Balance as at 01/04/2017	Interest levied for 2017/2018	Interest paid during 2017/2018	Arrear as at 31/03/2018
	N\$	N\$	N\$	N\$
Gobabis	519 470.13	511 987.02	533 713.93	497 743.22
Grootfontein	2 231 759.92	244 427.25	-	2 476 187.17
Karasburg	2 267.32	1 807.13	717.90	3 356.55
Karibib	3 284 498.67	94 574.64	-	3 379 073.31
Keetmanshoop	4 514 950.16	174 969.74	-	4 689 919.90
Mariental	2 663 446.35	259 795.56	-	2 923 241.91
Okahandja	1 034 226.43	89 076.46	-	1 123 302.89
Omaruru	358 311.56	159 634.75	-	517 946.31
Otavi	1 996 252.23	85 724.42	-	2 081 976.65
Otjiwarongo	230 896.51	216 299.45	227 438.86	219 757.10
Outjo	2 697 979.23	114 427.39	-	2 812 406.62
Swakopmund	-	512 201.36	520 362.80	(8 161.44)
Tsumeb	15 650 930.00	771 904.24	-	16 422 834.24
Usakos	2 022 887.69	61 166.99	-	2 084 054.68
Walvisbay	-	254 137.46	257 548.64	(3 411.18)
Windhoek	14 375 167.77	999 691.79	1 852 190.48	13 522 669.08
Total	51 583 043.97	4 551 825.65	3 391 972.61	52 742 897.01

(iii) **Loans Granted to Government Organizations, Public Enterprises and Non-Profit Organizations**

Loans Granted to Towns and Villages: Capital

Name of Institution	Balance as at 01/04/2017	Payments and other debits during the year	Redemption received and other credits during the year	Balance as at 31/03/2018	Arrear as at 31/03/2018
	N\$	N\$	N\$	N\$	N\$
Aranos	1 031 067.02	-	-	1 031 067.02	547 313.95
Ariamsvlei	12 448.25	-	-	12 448.25	8 737.21
Aroab	335 544.13	-	-	335 544.13	142 340.33
Bethanie	396 824.44	-	-	396 824.44	180 556.16
Gochas	709 928.72	-	-	709 928.72	377 847.71
Grunau	54 085.54	-	-	54 085.54	31 150.76
Henties Bay	69 967.92	-	-	69 967.92	40 303.26
Kalkfeld	38 302.17	-	-	38 302.17	21 771.59
Kalkrand	111 282.82	-	-	111 282.82	45 715.09
Kamanjab	299 475.67	-	-	299 475.67	169 309.92
Koes	28 919.98	-	-	28 919.98	24 803.82
Leonardville	426 839.14	-	-	426 839.14	170 785.54
Luderitz	8 338 134.04	-	-	8 338 134.04	4 395 370.44
Maltahohe	1 201 195.40	-	-	1 201 195.40	521 380.86
Stampriet	107 921.30	-	-	107 921.30	69 179.12
Witvlei	332 969.83	-	-	332 969.83	145 023.28
Wlotzkas Baken	19 962.49	-	-	19 962.49	23 627.70
Total	13 514 868.86	-	-	13 514 868.86	6 915 216.74

Loans Granted to Towns and Villages: Interest payments

Name of Institution	Balance as at 01/04/2017	Interest levied for 2017/2018	Arrear as at 31/03/2018
	N\$	N\$	N\$
Aranos	1 649 646.84	47 411.91	1 697 058.75
Ariamsvlei	17 956.52	392.93	18 349.45
Aroab	540 818.58	20 038.83	560 857.41
Bethanie	680 070.56	22 443.15	702 513.71
Gochas	1 102 181.14	32 699.00	1 134 880.14
Grunau	174 630.39	2 599.54	177 229.93
Henties Bay	61 489.91	2 868.01	64 357.92
Kalkfeld	52 177.22	1 639.82	53 817.04
Kalkrand	174 542.38	6 211.99	180 754.37
Kamanjab	461 116.21	12 851.73	473 967.94
Koes	59 041.66	1 434.00	60 475.66
Leonardville	637 739.45	23 189.17	660 928.62
Luderitz	16 368 428.24	454 788.81	16 823 217.05
Maltahohe	1 975 351.98	64 747.48	2 040 099.46
Stampriet	172 056.03	3 943.48	175 999.51
Witvlei	521 466.47	17 898.45	539 364.92
Wlotzkas Baken	48 576.52	1 208.23	49 784.75
Total	24 697 290.10	716 366.53	25 413 656.63

Note: No interest was paid during the financial year under review by these institutions.

2.4 Debt of the Government

(i) Foreign Debt

The Permanent Secretary: Finance prepared a statement of the Government's debt at 31 March 2018 and related transactions during 2017/2018 in compliance with Section 12(1) (b) of the State Finance Act, 1991 resulting from unredeemed loans incurred since 1997. Redemption and interest payments made and currency fluctuations suffered on loans shown in the following summary were charged to the State Revenue Fund in terms of Section 10(2) of the Act as shown in paragraph 1.4.1 without annual appropriation.

Nature	Interest rate %	Terms Years	Loan currency	Redemption date	Debt at 01 April 2017 in loan currency	Exchange rate at 1 April 2017 %	Debt as at 1 April 2017 N\$	Debt incurred during 17/18 in loan currency	Redemption loan currency	Redemption/ Other N\$	Debt at 31 March 2018 loan currency	Exchange rate at 31 March 2018 %	Debt at 31 March 2018 N\$	Exchange rate gain/(loss) N\$	Cost payment N\$	Interest paid N\$
African Development Fund																
Trans Kalahari road	0.75	50	EUR	4/1/2042	1 328 766.33	14.33735	19 050 987.94	-	52 108.48	823 749.84	1 276 657.85	14.4985	18 509 560.01	(541 427.94)	-	152 904.60
	0.75	50	CHF	4/1/2042	250 810.63	13.41382	3 364 328.64	-	9 835.72	135 205.82	240 974.91	12.30769	2 965 844.49	(398 484.15)	-	25 097.37
	0.75	50	USD	4/1/2042	1 292 626.51	13.44405	17 378 135.43	-	50 691.24	650 882.62	1 241 935.27	11.7538	14 597 458.78	(2 780 676.66)	-	120 823.60
Basic Teacher Education	0.75	50	JPY	4/1/2042	71 314 246.00	0.1205	8 593 566.64	-	2 796 638.00	333 767.09	68 517 608.00	0.11041	7 565 029.10	(1 028 337.54)	-	62 236.27
	0.75	50	USD	1/1/2043	2 160 982.43	13.44405	29 052 355.84	-	81 546.52	1 085 685.90	2 079 435.91	11.75380	24 441 273.80	(4 611 082.04)	-	213 719.73
	0.75	50	CHF	1/1/2043	2 618 034.88	13.41382	35 117 843.63	-	98 793.76	1 349 309.69	2 519 241.12	12.31	31 006 038.74	(4 111 809.89)	-	267 182.32
	0.75	50	EUR	1/1/2043	3 754 121.30	14.33735	53 824 151.02	-	141 664.94	2 172 748.54	3 612 456.36	14.4985	52 375 017.91	(1 449 133.11)	-	430 214.30
Kreditasiali for Wiederaufbau	0.75	50	JPY	1/1/2043	202 676 502.00	0.1205	24 422 518.49	-	7 648 170.00	925 532.52	195 028 332.00	0.11041	21 533 078.14	(2 889 440.35)	-	183 269.61
Hardap Dam rehabilitation	2	30	EUR	6/5/2023	1 037 391.50	14.33735	14 873 445.02	-	159 523.06	2 381 511.79	877 868.44	14.4985	12 727 731.68	(2 145 713.34)	-	298 069.15
Trans Caprivi Highway I	2	30	EUR	6/5/2024	4 547 941.27	14.33735	65 205 425.77	-	606 392.18	9 052 798.54	3 941 549.09	14.4985	57 146 352.40	(8 059 073.36)	-	1 313 542.76
Trans Caprivi Highway II	2	20	EUR	12/30/2036	9 312 158.96	14.33735	133 511 682.27	-	477 546.62	7 129 269.61	8 834 612.34	14.4985	128 088 185.28	(5 423 496.98)	-	1 029 550.33
Trans Caprivi Highway III	2	20	EUR	12/30/2028	5 337 887.21	14.33735	76 531 157.19	-	444 823.94	6 640 754.36	4 893 063.27	14.4985	70 941 833.17	(5 589 324.02)	-	1 561 227.95
Rural Basic Telecommunication																
Tranche 1	2	30	EUR	6/5/2026	923 167.52	14.33735	13 235 775.84	-	102 000.00	1 522 752.90	821 167.52	14.4985	11 905 656.23	(1 330 119.61)	-	268 173.88
Tranche 2	0.75	30	EUR	12/30/2026	911 046.64	14.33735	13 061 994.54	-	47 000.00	701 617.60	864 046.64	14.4985	12 527 337.01	(534 657.54)	-	100 744.78
Upgrading of Commercial Port																
Walvis Bay Windhook water recalculation	2	30	EUR	6/5/2027	2 963 447.70	14.33735	42 487 986.88	-	282 233.12	4 213 444.14	2 681 214.58	14.4985	38 873 455.53	(3 614 551.35)	-	864 168.95
Road rehabilitation	2	30	EUR	6/5/2027	4 898 176.18	14.33735	70 226 866.25	-	466 298.20	6 961 342.51	4 431 877.98	14.4985	64 255 361.30	(5 971 504.96)	-	1 428 367.98

Nature	Interest rate	Terms	Loan currency	Redemption date	Debt at 01 April 2017 in loan currency	Exchange rate at 1 April 2017	Debt as at 1 April 2017	Debt incurred during 2017/2018 in loan currency	Redemption loan currency	Redemption/ Other	Debt at 31 March 2018 loan currency	Exchange rate at 31 March 2018	Debt at 31 March 2018	Exchange rate gain/(loss)	Cost payment	Interest paid
Oshivelo - Oshikati Trench 1 Trench 2 Trench 3 Labour Based Roads Construction II	3.25	20	EUR	12/30/2026	3 609 720.72	14.33735	51 733 829.36	-	360 972.06	5 388 933.84	3 248 748.66	14.4985	47 101 820.01	(4 652 009.36)	-	1 051 369.08
	3.25	30	EUR	12/30/2026	2 014 490.10	14.33735	28 882 449.64	-	100 213.20	1 496 077.85	1 914 276.90	14.4985	27 754 047.92	(1 128 401.71)	-	222 806.53
	3.25	30	EUR	12/30/2026	3 754 927.61	14.33735	53 835 711.37	-	169 748.90	2 534 172.84	3 585 178.71	14.4985	51 979 534.27	(1 856 177.10)	-	415 770.11
	3	20	EUR	12/30/2030	4 294 851.80	14.33735	61 576 793.45	-	306 775.12	4 579 830.43	3 988 076.68	14.4985	57 820 930.34	(3 755 863.11)	-	1 259 902.12
Read rehabilitation Murrumbidgee Road	2	20	EUR	12/30/2030	5 052 606.20	14.33735	72 440 983.50	-	374 265.66	5 587 393.31	4 678 340.54	14.4985	67 828 686.40	(4 612 297.10)	-	1 481 212.59
Ondangwa Rehabilitation	2	30	EUR	6/30/2032	3 872 918.82	14.33735	55 527 392.64	*	248 000.00	3 702 379.60	3 624 918.82	14.4985	52 555 704.27	(2 971 688.38)	-	1 138 223.09
Extension of Payment services Sector budget support	2	30	EUR	12/30/2044	827 766.83	14.33735	11 867 982.76	-	28 000.00	418 010.60	799 766.83	14.4985	11 595 379.40	(272 603.36)	-	91 914.32
	2	30	EUR	6/30/2038	7 045 000.00	14.33735	101 006 630.75	-	-	-	7 045 000.00	14.4985	102 141 580.25	1 134 949.50	-	2 103 489.06
Loan Acc. No 1	free	30	CNY	10/1/2020	98 393 818.60	1.95351	192 213 308.57	-	-	*	98 393 818.60	1.86759	183 759 311.68	(8 453 996.89)	-	-
Loan Acc. No 2	free	20	CNY	10/1/2020	31 160 470.67	1.95351	60 872 291.06	-	-	-	31 160 470.67	1.86759	58 194 983.42	(2 677 307.64)	-	-
Loan Acc. No 3	free	20	CNY	4/1/2025	20 537 148.92	1.95351	40 119 525.79	-	-	-	20 537 148.92	1.86759	38 354 973.95	(1 764 551.84)	-	-
European Investment Bank Windhoek Infrastructure 2	3	20	EUR	7/31/2020	2 578 850.00	14.33735	36 973 875.05	-	968 750.00	14 823 621.78	1 610 100.00	14.4985	23 343 954.35	(13 629 920.70)	-	1 098 438.50
Nordic Investment Bank Sealover Fisheries	0.75	40	EUR	6/15/2034	1 419 670.80	14.33735	20 354 317.14	-	78 870.60	1 198 014.05	1 340 800.20	14.4985	19 439 591.70	(914 725.44)	-	159 364.55
African Development Bank Human Resources Development	4	20	USD	7/1/2020	635 981.97	13.44405	8 550 173.40		211 994.00	2 819 934.65	423 987.97	11.75380	4 983 469.80	(3 566 703.60)	-	327 272.30

Nature	Interest rate	Terms	Loan currency	Redemption date	Debt at 01 April 2017 in loan currency	Exchange rate at 1 April 2017	Debt as at 1 April 2017	Debt incurred during 2017/2018 in loan currency	Redemption loan currency	Redemption/ Other	Debt at 31 March 2018 loan currency	Exchange rate at 31 March 2018	Debt at 31 March 2018	Exchange rate gain/(loss)	Cost payment	Interest paid
	%					%	N\$			N\$		%	N\$	N\$	N\$	N\$
Northern Railway Extension Aus-Rosh Pinah road	jibar	15	ZAR	2/1/2021	60 731 720.28	1	60 731 720.28	-	13 495 937.84	13 495 937.84	47 235 782.44	1.00	47 235 782.44	(13 495 937.84)	-	4 992 474.26
Kamanjab-Onakange road	jibar	30	ZAR	2/1/2023	79 941 487.80	1	79 941 487.80	-	13 323 581.30	13 323 581.30	66 617 906.50	1.00	66 617 906.50	(13 323 581.30)	-	6 601 414.93
Economic Governance and Competitiveness Support Programme Phase 1 (ECGCP1)	jibar	20	ZAR	2/1/2024	115 154 666.72	1	115 154 666.72	-	16 450 666.66	16 450 666.66	98 704 000.06	1.00	98 704 000.06	(16 450 666.66)	-	9 514 162.85
Arab Bank for Economic Development in Africa	jibar	15	ZAR	5/1/2032	3 000 000 000.00	1	3 000 000 000.00	-	-	-	3 000 000 000.00	1.00	3 000 000 000.00	-	7 500 000.00	102 216 164.39
Windhoek-Aris road	3	25	USD	6/1/2018	252 652.71	13.44405	3 396 675.67	-	125 000.00	1 670 847.50	127 652.71	11.75380	1 500 404.42	(1 896 271.24)	-	50 463.87
Northern Railway Extension Aus - Rosh Pinah road	3	24	USD	8/25/2024	4 548 950.00	13.44405	61 156 311.25	-	-	-	4 548 950.00	11.75380	53 467 448.51	(7 688 862.74)	-	-
	3	24	USD	4/1/2024	4 813 128.66	13.44405	64 707 942.36	-	146 000.00	1 986 391.32	4 667 128.66	11.75380	54 856 496.84	(9 851 445.52)	-	979 614.19
Kuwait Fund for Arab Development in Africa	3	20	KWD	9/15/2021	1 354 950.00	43.8434	59 405 614.83	-	301 100.00	12 772 390.56	1 053 850.00	39.4693	41 594 721.81	(17 810 893.03)	-	1 901 815.92
Northern Railway Extension Instituto De Credito Oficial Construction : Fisheries	Euribor	20	EUR	11/30/2032	4 630 633.21	14.33735	66 391 009.05	-	-	-	4 630 633.21	14.4985	67 137 004.06	745 995.01	-	-
Surveillance Vessel Upgrading and refurbishing of five airports	4.27	14	EUR	2/9/2032	13 121 912.77	14.33735	188 133 456.05	-	-	-	13 121 912.77	14.4985	190 248 052.30	2 114 596.24	-	-
Export-Import Bank of China Electronics documents and																

Nature	Interest rate	Terms	Loan currency	Redemption date	Debt at 01 April 2017 in loan currency	Exchange rate at 1 April 2017	Debt as at 1 April 2017	Debt incurred during 2017/2018 in loan currency	Redemption loan currency	Redemption/ Other	Debt at 31 March 2018 in loan currency	Exchange rate at 31 March 2018	Debt at 31 March 2018	Exchange rate (paid/loss)	Cost payment	Interest paid
	%					%	NS			NS		%	NS			NS
records management system Customs and Excise Scanner	2	15	RMB	3/21/2023	19 675 314.04	1.95351	38 435 922.73	-	3 026 971.38	6 166 289.61	16 648 342.66	1.86759	31 092 278.27	(7 343 644.46)	-	782 204.22
Procurement Northern Road DR3608	2	15	RMB	3/21/2028	125 775 622.45	1.95351	245 703 936.21	-	10 937 010.66	22 279 951.30	114 838 611.79	1.86759	214 471 442.99	(31 232 493.22)	33 321.75	5 085 413.47
Northern Road MR67	2	15	RMB	3/21/2033	494 656 198.36	1.95351	966 315 830.06	3 369 225.00	-	-	498 025 423.36	1.86759	930 107 300.41	(36 208 529.65)	169 739.21	20 522 851.30
Japan Bank for International Cooperation Rundu - Etundu road upgrading	0.09	15	JPY	9/30/2021	4 224 042 000.00	0.1205	508 997 061.00	-	938 676 000.00	107 370 454.26	3 285 366 000.00	0.11041	362 737 260.06	(146 259 800.94)	-	4 115 008.95
BNP Paribas Vessels Supply of health equipment	free	12	EUR	3/15/2027	25 489 361.67	14.33735	365 449 899.54	-	2 548 936.18	38 563 492.70	22 940 425.49	14.4985	332 601 758.97	(32 848 140.57)	-	-
Foreign Bond Holders	free	17	EUR	5/31/2023	7 273 614.77	14.33735	104 284 360.72	-	1 119 016.00	17 489 692.11	6 154 598.77	14.4985	89 232 450.27	(15 051 910.46)	-	-
Eurobond	5.5	10	USD	11/21/2021	500 000 000.00	13.44405	6 722 025 000.00	-	-	-	500 000 000.00	11.75380	5 876 900 000.00	(845 125 000.00)	53 525.73	509 565 937.50
Eurobond Johannesburg Stock Exchange	5.25	10	USD	10/25/2025	750 000 000.00	13.44405	10 083 037 500.00	-	-	-	750 000 000.00	11.75380	8 815 350 000.00	(1 267 687 500.00)	53 525.73	828 529 811.99
JSE Bond	8.26	10	ZAR	11/19/2022	850 000 000.00	1	850 000 000.00	-	-	-	850 000 000.00	1	850 000 000.00	-	53 525.73	70 210 000.00
JSE Bond	9.595	5	ZAR	6/29/2020	840 000 000.00	1	840 000 000.00	-	-	-	840 000 000.00	1	840 000 000.00	-	53 525.73	80 598 000.00
JSE Bond	8.26	5	ZAR	6/29/2020	710 000 000.00	1	710 000 000.00	-	-	-	710 000 000.00	1	710 000 000.00	-	53 525.73	58 646 000.00
JSE Bond	10.51	7	ZAR	8/1/2023	335 000 000.00	1	335 000 000.00	-	-	-	335 000 000.00	1	335 000 000.00	-	53 525.73	35 208 500.00
JSE Bond	10.06	10	ZAR	8/1/2023	157 000 000.00	1	157 000 000.00	-	-	-	157 000 000.00	1	157 000 000.00	-	53 525.70	15 794 200.00
TOTAL							27 595 129 231.28	3 369 225.00		340 198 437.58			25 011 751 109.33	(2 540 107 936.21)	8 077 741.04	1 784 697 819.62

(ii) Domestic Debt Statement - Nominal Value

NOMINAL VALUE						
Nature of instruments	Coupon rate	Redemption date	Opening balance 01/04/2017 N\$	New issues amount (allotted) 2017/18 N\$	Principal redeemed incl. interest 2017/18 N\$	Switch auction 2017/18 N\$
TREASURY BILLS						
T-91	%		950 000 000.00	4 900 500 000.00	4 350 500 000.00	-
T-182			3 147 520 000.00	7 040 000 000.00	6 417 520 000.00	-
T-273			4 674 390 000.00	8 050 000 000.00	6 874 390 000.00	-
T-365			6 261 820 000.00	8 349 780 000.00	6 261 820 000.00	-
TOTAL T-BILLS			15 033 730 000.00	28 340 280 000.00	23 904 230 000.00	-
BONDS						
GC17	8	15/10/2017	1 023 450 000.00	-	793 970 000.00	(229 480 000.00)
GC18	9.5	15/07/2018	3 610 170 000.00	-	-	(2 653 260 000.00)
GC20	8.25	15/04/2020	1 722 080 000.00	315 180 000.00	-	742 640 000.00
GC21	7.75	15/10/2021	1 354 240 000.00	70 000 000.00	-	-
GC22	8.75	15/01/2022	1 500 600 000.00	358 000 000.00	-	840 870 000.00
GC24	10.5	15/10/2024	3 133 250 000.00	70 000 000.00	-	-
GC25	8.5	15/04/2025	2 193 110 000.00	273 980 000.00	-	371 730 000.00
GC27	8	15/01/2027	1 623 380 000.00	270 500 000.00	-	356 970 000.00
GC30	8	15/01/2030	1 507 920 000.00	256 520 000.00	-	333 070 000.00
GC32	9	15/04/2032	1 298 900 000.00	146 100 000.00	-	256 400 000.00
GC35	9.5	15/07/2035	1 232 200 000.00	137 800 000.00	-	112 180 000.00
GC37	9.5	16/07/2037	1 029 170 000.00	97 900 000.00	-	72 280 000.00
GC40	9.8	15/10/2040	1 448 170 000.00	98 850 000.00	-	97 020 000.00
GC45	9.85	15/07/2045	1 122 850 000.00	52 000 000.00	-	-
GI22	3.55	15/10/2020	1 533 990 000.00	328 350 000.00	-	-
GI25	3.8	15/07/2025	1 210 510 000.00	310 200 000.00	-	-
GI29	4.5	15/01/2029	-	310 120 000.00	-	-
TOTAL BONDS			26 543 990 000.00	3 095 500 000.00	793 970 000.00	300 420 000.00
TOTAL BONDS & TREASURY BILLS			41 577 720 000.00	31 435 780 000.00	24 698 200 000.00	300 420 000.00
						48 615 720 000.00

(iii) Domestic Debt Statement - Capital Value

				CAPITAL VALUE			COST		
Nature of instruments	Coupon rate	Redemption date	Opening balance 01/04/2017	New issues costing amount) 2017/18	Principal redeemed 2017/18	Outstanding balance as at 31/03/2018	NSX annual bonds cost during 2017/18	Oddlot-switch auction paid during 2017/18	Interest paid during 2017/18
TREASURY BILLS									
T-91	%		N\$ 929 573 295.02	N\$ 4 805 984 869.60	N\$ 4 263 993 374.57	N\$ 1 471 564 790.05	N\$ -	N\$ -	N\$ 86 506 625.43
T-182			3 009 475 579.93	6 764 246 580.04	6 148 999 552.40	3 624 722 607.57	-	-	268 520 447.60
T-273			4 371 179 390.19	7 580 147 093.02	6 434 516 002.09	5 516 810 481.12	-	-	439 873 997.91
T-365			5 731 517 909.80	7 697 518 311.57	5 731 517 909.80	7 697 518 311.57	-	-	530 302 090.20
TOTAL T-BILLS			14 041 746 174.94	26 847 896 854.23	22 579 026 838.86	18 310 616 190.31	-	-	1 325 203 161.14
BONDS									
GC17	8	15/10/2017	Redeemed	-	-	Redeemed	-	-	72 696 800.00
GC18	9.5	15/07/2018	3 489 329 580.34	-	-	3 489 329 580.34	-	-	230 413 475.00
GC20	8.25	15/04/2020	1 131 815 917.25	317 139 386.88	-	1 448 955 304.13	-	104 059.00	166 969 687.50
GC21	7.75	15/10/2021	1 226 510 449.69	68 419 057.00	-	1 294 929 506.69	-	-	104 953 600.00
GC22	8.75	15/01/2022	1 152 852 450.78	358 537 977.87	-	1 511 390 428.65	-	161 701.00	172 203 500.00
GC24	10.5	15/10/2024	3 401 291 979.07	72 160 041.00	-	3 473 452 020.07	-	-	328 991 250.00
GC25	8.5	15/04/2025	1 929 576 740.96	254 651 694.59	-	2 184 228 435.55	-	75 520.00	197 199 150.00
GC27	8	15/01/2027	1 243 450 082.98	238 239 344.67	-	1 481 689 427.65	-	107 908.00	150 109 200.00
GC30	8	15/01/2030	1 142 397 057.56	213 787 099.92	-	1 356 184 157.48	-	44 830.00	142 278 000.00
GC32	9	15/04/2032	1 108 833 518.41	128 138 343.38	-	1 236 971 861.79	-	36 568.00	122 516 100.00
GC35	9.5	15/07/2035	1 137 551 172.65	121 391 663.04	-	1 258 942 835.69	-	5 597.00	128 988 625.00
GC37	9.5	16/07/2037	898 333 690.64	87 245 018.34	-	985 578 708.98	-	28 823.00	105 250 975.00
GC40	9.8	15/10/2040	1 247 751 271.84	85 429 439.20	-	1 333 180 711.04	-	23 579.00	148 333 290.00
GC45	9.85	15/07/2045	1 026 617 656.22	44 503 296.56	-	1 071 120 952.78	-	-	112 767 725.00
GI22	3.55	15/10/2020	1 591 623 147.65	366 227 977.38	-	1 957 851 125.03	-	-	63 659 809.46
GI25	3.8	15/07/2025	1 258 412 269.21	341 464 241.81	-	1 599 876 511.02	-	-	58 684 207.67
GI29	4.5	15/01/2029	-	309 349 578.52	-	309 349 578.52	-	-	6 484 951.44
TOTAL BONDS			22 986 346 985.25	3 006 684 160.16	-	25 993 031 145.41	-	588 585.00	2 312 500 346.07
TOTAL BONDS & TREASURY BILLS			37 028 093 160.19	29 854 581 014.39	22 579 026 838.86	44 303 647 335.72	-	588 585.00	3 637 703 507.21

2.5 Borrowing costs

Costs incurred in establishing loans during the 2017/2018 financial year are as follows:

Loan	Cost
	N\$
Support Programme Phase 1 (EGCSP1)	7 500 000.00
Northern Road MR67	169 730.21
Northern Road DR3608	33 321.75
Eurobond	53 525.73
Eurobond	53 525.73
JSE Bond	53 525.73
JSE Bond	53 525.73
JSE Bond	53 525.73
JSE Bond	53 525.73
JSE Bond	53 525.70
Total	8 077 732.04

2.6 Financial Guarantees

The following guarantees given in terms of Section 36 of the State Finance Act, 1991 and administered by the Ministry of Finance were reported as contingent liabilities on the State Revenue Fund at 31 March 2018:

(i) Local institutions:

Guarantee given to	Purpose/Beneficiary	Original amount	Outstanding amount
		N\$	N\$
Development Bank of Namibia	Seaflower Whitefish Corporation	38 500 000	22 618 163.88
Development Bank of Namibia	Seaflower Whitefish Corporation	25 600 000	41 754 684.68
Development Bank of Namibia	Namibia Wildlife Resort	91 500 000	91 265 576.52
Development Bank of Namibia	University of Science and Technology	100 000 000	-
Development Bank of Namibia	National Energy Fund	670 000 000	670 413 608.56
First National Bank	University of Namibia	416 727 464	202 491 931.97
First National Bank	TransNamib	106 000 000	-
First National Bank	Namwater	400 000 000	412 067 503.00
First National Bank	Road Fund Administration	500 000 000	324 206 501.19
Total		2 348 327 464	1 764 817 969.80

(ii) Foreign institutions:

Guarantee given to	Purpose/Beneficiary	Currency	Initial Guarantee (loan currency)	Outstanding loan amount
European Investment Bank	Namibia Ports Authority	N\$	82 075 850	N\$ (0.02)
European Investment Bank	Namibia Power Corporation	EURO	55 000 000	55 428 077.10
AB Svensk Export Kredit	Namibia Power Corporation	ZAR	120 000 000	-
Agence Francaise de Development	Namibia Power Corporation	EURO	5 335 716	10 676 050.39
African Development Bank	Namibia Power Corporation	ZAR	63 040 611	(0.40)
European Investment Bank	Namibia Power Corporation	GBP	19 338 600	96 328 113.68
MDAC A319-112 Aircraft	Air Namibia	USD	32 976 915	178 459 045.77
MDAC A319-112 Aircraft	Air Namibia	USD	36 494 370	228 890 850.11
Intrepid Aircraft Leasing LLC	Air Namibia	USD	129 239 880	1 002 225 802.20
Intrepid Aircraft Leasing LLC	Air Namibia	USD	124 772 160	932 813 468.22
KFW Frankfurt am Main	Namibia Post Limited	EURO	6 070 000	43 154 641.93
African Development Bank	Namibia Ports Authority	ZAR	2 982 000 000	2 216 946 007.40
KFW Frankfurt am Main	Road Fund Authority	ZAR	447 360 000	447 358 353.00
African Development Bank	Development Bank of Namibia	ZAR	4 500 000 000	4 000 000 000.00
Total				9 212 280 409.38

2.7 Housing Guarantees

The Accounting Officer: Finance reported Housing guarantees issued for the year under review to the amount of N\$ 134 341 573.05 and Housing guarantees cancelled amounting to N\$ 4 689 134.50.

2.8 Shares and Dividends

(i) Shares

Payments were made from the State Revenue Fund for the acquisition of shares in various bodies as shown below:

Shares							Payments incurred		
Name of Institutions	Date of Issues	Share-holding status	No. of shares as at 1 April 2017	Total number of shares as at 31 March 2018	Nominal value of shares	Current market value as at 31 March 2018	As at 01 April 2017	During the year	As at 31 March 2018
Air Namibia	01/03/2009-01/03/2012	%	230	N\$ 230	1.00	N\$ 3 465 200 100.00	-	N\$ -	N\$ -
African Development Bank		34	22 347	22 347	10 000.00	223 478 751.00	106 260 019.89	22 449 917.41	128 709 937.30
Development Bank of Namibia	14/03/2003-01/04/2016	100	1 650	1 650	100 000.00	2 007 071 178.00	-	-	-
Zambezi Waterfront	6/12/2005	100	4 000	4 000	1.00	4 000.00	-	-	-
Namibia Water Cooperation Limited		100	-	-	-	959 054 444.00	-	-	-
Luderitz Waterfront	6/6/2002	100	1	1	1.00	1.00	-	-	-
Nampower	28/05/1965-28/12/1976	100	165 000 000	165 000 000	1.00	165 000 000.00	-	-	-
TransNamib	01/12/1988-31/12/1990	100	277 266 030	277 266 030	1.00	277 266 030.00	-	-	-
Namibia Post and Telecommunication	19/02/1998	100	143 925 936	143 925 936	1.00	143 925 936.00	-	-	-
Afreximbank		36	333	333	224 369.00	74 715 160.05	-	-	-
NAMDEB	23/02/1996	50	4 956 950	4 956 950	1.00	4 956 950.00	-	-	-
Shelter Afrique	24/05/2012		327	327	24 155.00	7 898 770.02	-	-	-
ODC(OFFSHORE Development Company)	05/07/1995-01/03/2008	100	43 382 125	43 382 125	1.00	43 382 125.00	-	-	-

Shares							Payments incurred		
							As at 01 April 2017	During the year	As at 31 March 2018
Name of Institutions	Date of Issues	Share-holding status	No. of shares as at 1 April 2017	Total number of shares as at 31 March 2018	Nominal value of shares	Current market value as at 31 March 2018	As at 01 April 2017	During the year	As at 31 March 2018
		%			N\$	N\$	N\$	N\$	N\$
Namibia Minerals Cooperation(NAMCO)	1/1/2001	100	7 575 758	7 575 758	1.00	7 575 758.00	-	-	-
National Development Corporation	04/12/1978 - 30/04/2005	100	234 935 130	234 935 130	1.00	234 935 130.00	-	-	-
Namibia Wildlife Resorts	19/01/1999	100	100 003 000	100 003 000	1.00	1 057 353 729.00	-	-	-
Namibia Airport Company	30/10/2010	100	1	1	1.00	1.00	-	-	-
Windhoek Country Club Hotel	14/10/1994	100	137 226	137 226	0.01	270 285 800.26	-	-	-
Namibre	8/3/2001	100	9 000 000	9 000 000	1.00	9 000 000.00	-	-	-
August 26 Holding Company	14/08/1998	100	9 824	9 824	1.00	53 110 176.00	-	-	-
Windhoek Maschinen Fabrik	14/08/1998	100	4 000	4 000	1.00	4 000.00	-	-	-
Walvis Bay Export Processing Zone	23/05/2001	100	175 000	175 000	1.00	175 000.00	-	-	-
Rossing Uranium Ltd	21/03/1990-	3	5 659 449	5 659 449	57.79	327 059 557.71	-	-	-
National Fishing Corporation of Namibia	21/12/2008	100	42 260 928	42 260 928	1.00	42 260 928.00	-	-	-
Road Contractor Company	10/3/2000	100	100 000 000	100 000 000	1.00	100 000 000.00	-	-	-
National Housing Enterprise	18/08/1993	100	71 029 248	71 029 248	1.00	71 029 248.00	-	-	-
Namcor	29/06/2007	100	10 000 000	10 000 000	1.00	10 000 000.00	-	-	-
Bank of Namibia		100	4 000	4 000	1.00	4 000.00	-	-	-
Namibia National Training Organisation		100	4 000	4 000	1.00	4 000.00	-	-	-
TOTAL			1 215 357 493	1 215 357 493	358 604.80	9 554 750 773.04	106 260 019.89	22 449 917.41	128 709 937.30

(ii) Dividends

The following relates to dividends for the financial year 2017/2018:

Name of Institutions	Shareholding Status	Number of shares	Dividends receivable as at 1 April 2017	Dividends declared for the year	Date declared	Dividends received during the financial year	Date received
NAMDEB	%	4 956 950	N\$ -	N\$ 250 000 000.00	-	N\$ 250 000 000.00	19.07.2017
Namibia Diamond Trading Company		-	-	350 000 000.00	-	350 000 000.00	17.11.2017
	50	-	-	200 000 000.00	06.03.2018	200 000 000.00	15.03.2018
Namibre Bank of Namibia		-	-	100 000 000.00	-	100 000 000.00	13.10.2017
	100	9 000 000	-	50 000 000.00	13.12.2017	50 000 000.00	13.12.2017
	100	4 000	-	5 000 000.00	20.09.2017	5 000 000.00	07.03.2018
		-	-	68 119 105.18	-	68 119 105.18	03.04.2017
		-	-	213 140 259.11	-	213 140 259.11	29.03.2018
TOTAL		13 960 950	-	1 236 259 364.29		1 236 259 364.29	

(iii) Subsidy

The following relates to subsidies for the financial year 2017/18:

Name of Institution	As at 31 March 2018
	N\$
Agribank	1 139 339 000.00
Bank of Namibia (FIC)	125 207 000.00
Development Bank of Namibia	2 018 045 240.00
Zambezi Waterfront	96 632 851.55
Namibia Water Cooperation Limited	200 000 000.00
Luderitz Waterfront	30 000 000.00
Roads Fund Administration	3 099 858 896.41
Nampower	1 610 000 000.00
TransNamib	102 714 944.14
Hentiesbay Waterfront	10 000.00
Namibre	20 000 000.00
National Energy Fund (not a parastatal but the transfer was made to this fund)	156 000 000.00
Total	8 597 807 932.10

2.9 (i) Revenue outstanding – Tax Revenue

The Accounting Officer: Finance reported the following revenue outstanding to the value of N\$ 24 872 688 352.00 in respect of one hundred and twenty nine thousand four hundred and sixty five (129 465) taxpayers.

Revenue head	Amount				Number of cases involved 2017/2018	Cases involved 2016/2017	Amount outstanding 2016/2017
	Tax	Penalty	Interest	Total			
	N\$	N\$	N\$	N\$			N\$
Income Tax	1 661 229 714	4 717 585 441	2 092 002 359	8 470 817 514	103 035	90 059	7 689 094 449
Employee Tax	250 941 430	471 800 667	478 631 180	1 201 373 277	4 844	6 252	1 202 516 043
Value Added Tax	1 755 181 412	6 485 582 986	1 460 096 526	9 700 860 924	15 213	16 539	8 770 269 375
Import VAT	607 006 686	4 349 509 956	536 810 270	5 493 326 912	6 295	7 819	6 103 011 709
WTX on Interest	1 464 363	1 907 994	462 493	3 834 850	17	17	750 866
WTX on Services	255 812	1 043 855	161 764	1 461 431	42	52	3 663 670
Non-Resident	-	80 000	11 979	91 979	2	-	-
Shareholders Tax							
Tax on Royalties	3 360	667 207	250 898	921 465	17	19	1 792 388
Grand Total	4 276 082 777	16 028 178 106	4 568 427 469	24 872 688 352	129 465	120 757	23 771 098 500

ii) Other revenue outstanding

Revenue outstanding from the line Ministries, Offices and Agencies are listed below:

Vote	O/M/A	Revenue head	Amount	Number of cases involved	Reason for non-collection
4	Auditor - General	Private telephone calls	N\$ 10 000.26	100	Recovered in 2018/2019
10	Education, Arts And Culture	Audit Fees	1 176 437.58	13	Non/late payments by auditees
		Hostel fees	1 547 864.00	1456	Ignorance of principals and superintendents, parents financial inability etc.
12	Gender Equality & Child Welfare	Renting of hall	32 850.00	33	-
22	Fisheries & Marine Resources	Various	27 486 804.33	80	Due to various fishing seasons
	Total		30 253 956.17	1682	

2.10 (i) Revenue written off – Tax Revenue

The Accounting Officer: Finance reported revenue written off to the value of N\$ 435 773 348.90 in respect of twenty eight thousand four hundred and fifteen (28 415) taxpayers as per the Tax Arrear Recovery Incentive Programme (TARIP)

Revenue head	Amount written off	Reason written off
	N\$	
Income Tax	202 342 188.49	Interest amounts for taxpayers who partook in the tax arrear recovery programme as per cabinet approval No.21st/06/1216/001
Employee Tax	43 135 964.50	
Withholding Tax on Services	620 424.76	
Withholding Tax on Individuals	183 473.83	
Non-Resident Shareholders Tax	66 913.36	
Tax on Royalties	1 472 829.43	
Value Added Tax	82 336 429.70	
Import VAT	105 615 124.83	
Grand Total	435 773 348.90	

ii) Revenue written off – Non- Tax Revenue

The Ministry of Education, Arts and Culture wrote off revenue amounting to N\$ 935 907 in respect of hostel fees.

2.11 Refund of Revenue

(i) Tax Revenue

The Accounting Officer: Finance reported the following revenues that were refunded in terms of the following laws:

Revenue Head	Number of cases	Reason for refund	Amount
			N\$
Income Tax on individuals	112 889	In terms of Section 94 of Income Tax Act	401 168 541
Non-Mining Companies	988	In terms of Section 94 of Income Tax Act	162 741 274
Tax on Royalties	5	In terms of Section 38 of VAT Act	243 382
Value Added Tax	7 442	In terms of Section 94 of VAT Act	6 649 593 330
Transfer Duty	91	In terms of Section 20 of Transfer Duty Act	8 215 320
Stamp Duty	143	In terms of Section 32 of Stamp Duty Act	3 288 391
Total Refunds	121 558		7 221 961 847

(ii) Non- Tax Revenue

The Ministry of Gender Equality & Child Welfare refunded revenue amounting to N\$ 2 000.00 in respect of rent deposit paid, because the clients did not make use of the hall.

2.12 COMBINED ANNUAL STATEMENTS FOR O/M/A's

2.12.1 Donations received by Government

The following is a summary of donations received by Central Government from various donors:

Beneficiary O/M/As)	Nature of donation	Value of donation
		N\$
Defence	Condoms, Equipment, Trucks, Uniforms, Books, etc.	8 477 761.76
Education, arts and Culture	Equipment, PE Minerals, Furniture, Photocopy papers, cement etc.	1 654 813.820
Urban & Rural Development	Equipment	702 769.38
Fisheries & Marine Resources	Security systems	460 357.50
Poverty Eradication and Social welfare	867 KG Canned Horse Mackerel in Tomato Sauce and Solar Powered Radio	3 111 000.00
Total		14 406 702.46

2.12.2 Donations by the State

The Accounting Officer: Finance reported donations made by the Ministry of Poverty Eradication and Social Welfare to the value of N\$ 192 534.98 for the financial year 2017/2018, with the necessary Treasury approval.

2.12.3 Petty Cash Advances

The Accounting Officer: Finance reported petty cash advances to the amount of N\$ 3 550.00 as at 31 March 2018.

2.12.4 Commercial Bank Accounts

The Accounting Officer: Finance reported 316 Bank accounts held at the commercial banks for the financial year ended 31 March 2018 with the closing balances amounting to N\$ 1 357 257 836.63.

2.12.5. Other debts

The Accounting Officer: Finance reported the other debts for the financial year ended 31 March 2018 as shown below:

Vote	O/M/A	Number of cases	Principal amount	Interest	Total Debt
			N\$	%	N\$
1	President	8	178 463.06	-	178 463.06
4	Auditor General	19	321 912.09	-	321 912.09
5	Home Affairs	16	245 147.67	-	245 147.67
17	Urban & Rural Development	1	2 218 926.53	20	2 218 926.53
30	Anti-Corruption Commission	3	2 774.15	-	2 774.15
	Total	47	2 967 223.50		2 967 223.50

2.12.6 Compensation payments

The Accounting Officer: Finance reported the following compensation payments third parties for the respective O/M/A's:

Vote	O/M/A	Number of cases involved	Amount paid	Reasons
			N\$	
6	Safety And Security	11	355 157.69	Unlawful arrest and motor vehicle accidents
8	Defence	6	845 929.05	Civil claims and accidents
10	Education, Arts And Culture	2	351 542.27	Civil claim
13	Health and Social Services	2	1 600 000.00	Settlement of a civil claim as a result of negligence by medical staff
14	Labour, Industrial Relations and Employment Creation	33	399 209.01	Workmens compensations
17	Urban & Rural Development	1	148 700.00	Civil claim
21	Judiciary	1	67 461.54	Civil claim
22	Fisheries & Marine Resources	1	30 000.00	Motor vehicle accident between the GRN 8431 and private vehicle
24	Transport	230	8 590 244.31	compensation payments made to Community members affected by the construction of roads and railway projects
27	Sport, Youth & National Services	1	73 191.83	Civil claim
30	Anti-Corruption Commission	1	6 978.84	Civil claim
	TOTALS	289	12 468 414.54	

2.12.7 Capital projects

(i) Internally (Government) Funded Projects

The following were the capital projects for the Government of Namibia undertaken by the various Offices, Ministries and Agencies.

Vote	O/M/A	Approved Total Budget N\$	Total Expenditure at 01 April 2017 (a) N\$	Approved current appropriation 2017/2018 N\$	Current Actual expenditure per Ledger for the year (b) N\$	Total Actual expenditure at 31 March 2018 (c=a+b) N\$	Number of Capital Project	Expected Year of completion
1	Office of the President	1 704 374 000	1 469 078 857.13	146 077 000	145 614 972.94	1 614 693 830.07	2	varied
3	National Assembly	70 800 000	91 680 501.70	14 000 000	2 054 554.45	93 735 056.15	1	31/03/2024
5	Ministry of Home Affairs and Immigration	652 799 000	430 150 973.27	180 223 000	179 854,814.74	610 005 788.01	4	varied
6	Safety and Security	6 903 852 000	3 345 490 072.37	317 301 962	317 565,312.09	3 663 055 384.46	28	varied
8	Ministry of Defence	11 258 648 000	5 366 968 827.23	441 923 000	441 822 559.73	5 808 791 386.96	14	varied
9	Ministry of Finance	114 249 000	191 033 190.07	5 000 000	3 916 406.89	194 949 596.96	4	varied
10	Ministry of Education, Arts and Culture	19 634 080 000	3 241 264 833.98	509 595 500	499 504 674.93	3 740 769 508.91	60	varied
12	Ministry of Gender Equality and Child Welfare	452 782 000	198 804 662.31	13 160 000	7 312 806.70	206 117 469.01	8	varied
13	Ministry of Health and Social Services	3 907 584 000	3 437 021 112.92	319 597 000	275 545 517.55	3 712 566 630.47	41	varied
14	Ministry Labour, Industrial Relations and Employment Creation	907 078 000	35 613 718.57	4 866 000	1 328 353.06	36 942 071.63	1	31/03/2021
16	Ministry of Justice	1 527 696 000	465 981 184.15	153 620 000	151 328 666.02	617 309 850.17	11	varied
17	Ministry of Urban and Rural Development	3 312 966 000	1 732 162 433.26	523 100 000	469 376 569.50	2 201 539 002.76	100	varied
19	Ministry of Industrialization Trade and SME Development	3 627 296 000	1 736 160 629.98	247 945 551	242 382 942.86	1 978 543 572.84	18	varied
20	Ministry of Agriculture, Water and Forestry	17 817 168 000	9 314 344 950.40	872 011 569	867 018 414.68	10 181 363 365.08	21	varied
27	Ministry of Sport, Youth, and National Services	186 425 000	97 080 140.82	21 121 000	19 242 917.00	116 323 057.82	3	varied
28	Electoral Commission of Namibia	111 976 000	14 137 773.92	2 479 792	2 479 791.37	16 617 565.29	1	31/03/2022
29	Ministry of Information and Communication Technology	240 000 000	166 911 605.12	12 523 519	12 450 946.14	179 362 551.26	1	31/03/2020
31	Ministry of Veteran Affairs	553 483 000	74 079 388.48	10 911 324	10 404 918.14	84 484 306.62	4	varied
32	Ministry of Higher Education, Training and Innovation	4 767 358 000	360 448 704.07	70 659 873	70 659 873.00	431 108 577.07	8	varied
Total		77 750 614 000	31 768 413 559.75	3 866 116 090	3 719 865 011.79	35 488 278 571.54	330	

(ii) Eternally (Donor) Funded Projects

No Externally funded projects were reported for the 2017/18 Financial Year.

2.12.8 Bursaries and studies assistance

The Accounting Officer: Finance reported the following bursary and study assistance payments for the respective O/M/A's:

Vote	O/M/As	Number of staff members assisted	Total amount paid during the Financial year
			N\$
1	President	16	462 960.00
3	National Assembly	2	37 020.00
4	Auditor-General	16	795 641.54
5	Home Affairs & Immigration	3	87 600.00
6	Safety and Security	10	776 852.93
8	Defence	549	20 270 651.20
9	Finance	36	131 967.50
10	Education, Arts and Culture	10	277 570.63
12	Gender Equality and Child Welfare	19	207 345.00
13	Health and Social Services	33	1 525 781.26
14	Labour Industrial Relations and Employment Creation	7	67 359.05
15	Mines and Energy	9	45 579.17
16	Justice	11	296 757.43
17	Urban and Rural Development	8	80 638.20
19	Industrialization, Trade and SME Development	10	244 881.43
20	Agriculture, Water and Forestry	44	2 581 147.22
22	Fisheries and Marine Resources	1	11 695.00
27	Sports, Youth and National Service	2	28 320.00
28	Electoral Commission of Namibia	6	58 980.40
29	Information and Communication Technology	13	217 487.00
30	Anti-Corruption Commission	11	58 786.50
31	Veterans Affairs	10	214 055.00
32	Higher Education, Training and Innovation	8	108 729.00
34	Public Enterprises	3	16 812.50
35	Attorney General	7	221 513.50
	Total	844	28 826 131.46

2.12.9 Immovable property bought

The Accounting Officer: Finance reported the immovable property bought for the following O/M/A's:

Vote	O/M/A	Property type	Number of Properties at 1 st April 2017	Value of properties at 1 st April 2017	Number of properties bought during 2017/8/2018	Purchase price of properties bought	Number of properties at 31 st March 2018	Value of properties as at 31 March 2018
8	Defence	Farm (Fixed)	2	N\$ -	2	N\$ 69 000 000.00	2	N\$ 69 000 000.00
12	Gender Equality and Child Welfare	Land	-	-	2	30 450.00	-	-
16	Justice	Building	-	-	1	88 106 100.00	1	88 106 100.00
22	Fisheries and Marine Resources	Offices, staff housing, inland aquaculture centers, aircraft hangar, harbors warehouses, inland fisheries, institutes fish farms and Iceland's Land & Buildings	26	The value of properties is not provided.	-	-	26	-
28	Electoral Commission of Namibia		12	52 667 079.33	1	990 770.00	12	52 667 079.33
	Total		40	52 667 079.33	6	158 127 320.00	41	209 773 179.33

Note* Values not provided by the Ministry

2.12.10 Exemptions from Procurement procedures

The Accounting Officer: Finance reported the exemption from procurement procedures for Electoral Commission to the value of N\$ 4 259 469 for the year under review.

2.12.11 Livestock

The Accounting Officer: Finance reported livestock for the following O/M/A's:

Vote	O/M/A	Type of Livestock	Number of livestock	Value
				N\$
6	Safety and Security	Cattle ,Sheep , Goats, Pigs, Dogs, Horses	2 135	7 847 788
10	Education, Arts and Culture	Cattle, Goats, Pigs	43	38 200
20	Agriculture, Water and Forestry	Cattle, Sheep, Goats, Pigs, Chicken, Horses	6 659	583 900
	Total		8 837	8 469 888