



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL COUNCIL

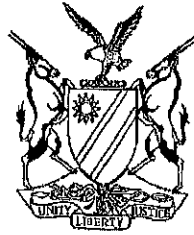
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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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 National Council for the financial year ended 31 March 2022 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 Council in terms of Section 27(4) of the Act.

WINDHOEK, FEBRUARY 2023

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
Virement:	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Underexpenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Commitments:	Funds reserved to acquire goods or services from a supplier.
Suspense accounts:	Is an account opened in the books of Government that records movement of transactions of a temporarily nature, for example salary deductions of housing instalments.
S&T Advance Suspense Account:	A suspense account reflecting the outstanding subsistence and travel advances.
Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe the money to the State.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time.
Subsistence Advance:	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.
Performance Information:	Measurement of an individual, group, organization, system or component which is collected, analysed and reported. (Includes Strategic plans, annual plans, performance agreements and personal development plans).

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).
Attestation engagement:	It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which you, the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.
Subject matter:	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
OMA:	Office/Ministry/Agency
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.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NATIONAL COUNCIL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

1 SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the National Council for the financial year ended 31 March 2022, provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, notes to the financial statements and general information for the financial year then ended.

In my opinion, the financial statements of the National Council as at 31 March 2022 are prepared, in all material respects, in accordance with Section 12 and 13 of the State Finance Act, 1991(Act 31 of 1991).

1.2 BASIS FOR 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 Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 KEY AUDIT MATTERS

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

1.4 OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. I do not have any other information to report on.

1.5 FOLLOW UP ON PRIOR YEAR AUDITS

1.5.1 Bills payable suspense account

It was noted in the 2020/2021 financial year, that the National Council's bills payable suspense account reflected a debit balance of N\$ 199 019.82, instead of a credit balance. The Accounting Officer explained that the ever growing debit balance is coming from the 2017/2018 financial year in which stale cheques

were posted by the Ministry of Finance and the Council is working with the Ministry of Finance to find a solution.

In addition, during the year under review, the Accounting Officer explained that the issue was communicated to the Ministry of Finance through a letter dated 21 April 2022, however, no positive progress has been made so far therefore the status quo remains. The Accounting Officer further explained that the issue of bills payable suspense account having a debit balance is beyond their control and no O/M/A can resolve this issue except the Ministry of Finance (Treasury) in collaboration with the IFMS consultant-SILNAM.

It is recommended that the Accounting Officer should take necessary steps to ensure that the balance on this suspense account is cleared. In addition, the Accounting Officer should reconcile their records on a regular basis in order to avoid any differences in future.

Management comment

The Accounting Officer did not provide comments on this finding.

1.5.2 Disaster Recovery Plan

It was reported in the 2020/2021 financial year that the National Council did not have an approved disaster recovery plan that would guide the Council the route to take in order to recover important information in case disruptive events occur.

This process is extremely important because it provides detailed strategies on how the National Council will continue after severe interruptions/disasters and be able to replicate its systems and data. In addition, the disaster recovery plan stipulates how the Council will prepare for disaster, what will their response be, and what steps it will take to ensure that operations can be restored.

It is recommended that the Accounting Officer should develop their own disaster recovery plan based on the points and importance of having a disaster recovery plan stated above to ensure that operations continue in the event a disaster occurs.

Management comment

The Accounting Officer explained that it is hard to work and draw up a disaster recovery plan and no tangible progress has been made due to lack of skills.

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 have audited the financial performance and the use of appropriated funds of the National Council for the financial year ended 31 March 2022.

2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

The audit aimed to determine whether the National Council's financial performance and the use of appropriated funds is in compliance with the Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act No.4 of 2021), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2022.

2.3 AUDIT OBJECTIVE

The objective of this compliance audit is to verify and assess whether the National Council has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs. 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 addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

2.4 AUDIT CRITERIA

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

- Appropriation Act, 2021 (Act 1 of 2021);
- Appropriation Amendment Act, 2021 (Act No.4 of 2021);
- State Finance Act, 1991 (Act 31 of 1991);
- Public Procurement Act, 2015 (Act 15 of 2015);
- Treasury Instructions; and
- Public Procurement Regulations.

2.5 SUMMARY OF METHODS APPLIED

I have audited the financial statements for the financial year ended 31 March 2022 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 KEY AUDIT FINDINGS

2.6.1 Expenditure

(i) Underexpenditure

Treasury Instruction DC 0202 (a) states that *“When drawing up draft estimates accounting officers and their financial advisers shall take note of and guard against that more funds than can reasonably be spent shall not be requested”*. However, the audit found that the total budget was underspent with an amount of N\$ 5 121 579.53 (5.96%). This money could have been used for other national pressing needs.

It is recommended that the Accounting Officer should adhere to Treasury Instruction DC 0202 (a) at all times and ensure that budgeted and planned activities are carried out timely.

Management comment

The Accounting Officer indicated that the Council took note of the recommendation but is regrettable that the funds were received very late despite it being requested on time for the standing committees to carry out its activities in the regions. All planned activities could also not be undertaken.

(ii) Unauthorized expenditure

The following unauthorized expenditure occurred during the financial year under review and is hereby reported as such in terms of Section 27 6(a)(iii) of the State Finance Act, 1991 (Act 31 of 1991):

Although Treasury approvals were obtained to utilized certain expected savings for the defrayal of excess expenditure through virements during the year, one (1) operational subdivision was exceeded with a total amount of N\$ 37 595.39, which is unauthorised in terms of Section 6(a)(iii) of the State Finance Act, 1991.

It is recommended that the Accounting Officer should closely monitor and review the financial position of the Council on a continuous basis to enable better financial control and take appropriate action timeously to avoid unauthorised expenditure in future.

Management comment

The Accounting Officer agrees with the finding and indicated that there was not enough time to request for an external virement.

2.6.3 Virements

Treasury Instruction DE 0401 states that *“Accounting Officer shall keep a meticulous record of virements which were granted in respect of their votes, as, after the books have been closed for the financial year concerned they must indicate the effect on the estimated amounts on the appropriation accounts (whether an increase or a decrease)”*.

Differences were noted between the virements authorised by Treasury and the virements processed to the Appropriation account as follows:

Main divisions	Virements processed as per Appropriation account	Authorised virements	Difference
	N\$	N\$	N\$
01	(32 000)	368 000	400 000
02	(1 721 000)	(2 121 000)	(400 000)

It is recommended that the Accounting Officer should explain the differences. Furthermore, it is recommended that the Accounting Officer should comply to Treasury Instruction 0401 and ensure that the correct virement amounts by Treasury are posted to the appropriation account and that the financial statements should reflect these amounts.

Management comment

The Accounting Officer indicated that the Council cannot explain the difference.

2.6 OPINION ON THE SUBJECT MATTER

In my opinion, the National Council's financial performance and the use of appropriated funds, is in compliance, in all material respects, with the State Finance Act, 1991 (Act 31 of 1991), Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act No. 4 of 2021), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and the Public Procurement Regulations.

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the National Council for the financial year ended 31 March 2022.

3.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

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

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

3.2 AUDIT OBJECTIVE

The objective of the Key Performance Indicator (KPI) audit is to provide reasonable assurance on whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the (OMAs) to inform the Parliament, the public and other stakeholders on its strategic priorities, programmes, and projects. This audit is an engagement where the Office presented the subject matter information on which the auditor then gathered sufficient and appropriate audit evidence to provide reasonable assurance in forming an opinion. The findings and recommendations are taken into consideration.

3.3 AUDIT CRITERIA

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

- Compliance with legislative requirements;
- Usefulness;
- Reliability;
- Existence;
- Timeliness;
- Presentation;
- Measurability;
- Relevance;
- Validity;
- Accuracy; and
- Completeness.

3.4 SUMMARY OF METHODS APPLIED

The scoping of the key performance indicators is performed, by looking at the high-level statements, which are indicated in the Strategic Plan, and the Annual Plan for the financial year under review. Key performance indicators based on what would be significant to the intended users, their usefulness and reliability in assessing the Council achievements in terms of its service performance objectives could not be selected due to insufficient information provided.

3.5 KEY AUDIT FINDINGS

During the audit, it was discovered that the National Council does not have an annual plan, annual plan review, strategic plan and accountability report for the financial year under review. In addition, the employees do not have performance agreements and Personal Development Plans (PDPs) as required by the Public Management System of the Office of the Prime Minister.

Therefore, the audit on the performance information for the National Council could not be performed due to non-submission of these documents (approved annual plan, annual plan review, strategic plan and the accountability report). In addition, risks/discrepancies in the performance information of National Council could not be identified/detected.

It is recommended that the Accounting Officer should ensure that all the documents are in place and employees are signing performance agreements as required by the Performance Management Framework of Government.

Management comment

In his response the Accounting Officer indicated that, the National Council is in agreement with the finding and it is due to the fact that the Universal Strategic Plan template advocated by the Office of the Prime Minister does not respond to the unique existence of the National Council as a house of review. The Accounting Officer further explained that the Council's daily activities is currently guided by the Standing Committee's annual plan approved by the committee on implementation and coordination which is supported by the approved Annual Procurement plan.

3.6 CONCLUSION ON THE SUBJECT MATTER

It is concluded that National Council is operating without an approved annual plan, strategic plan, annual plan review and accountability report nor any performance information thereby identifying risks/discrepancies in the performance information of National Council. Therefore, no reasonable assurance could be provided to Parliament, members of the General public and other relevant stakeholders on the key performance information of the National Council.

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 and 13 of the State Finance Act, 1991 (Act 31 of 1991) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The management is also responsible for ensuring adherence to the State Finance Act, 1991(Act 31 of 1991), Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act 4 of 2021), Public Procurement Act, 2015(Act 15 of 2015), Treasury Instructions and the Public Procurement Regulations.

5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT

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

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

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act 4 of 2021), 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. GENERAL INFORMATION


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

The financial statements were submitted timeously by the Accounting Officer to the Auditor-General in terms of Section 13 of the State Finance Act, 1991.

7. ACKNOWLEDGEMENT

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

WINDHOEK, FEBRUARY 2023


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1 AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2021/2022					2020/2021	
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Chairman:						
Original budget	8 852 000					
Less: Virement	(32 000)					
Less: Suspension	(82 900)	8 737 100	8 451 105.40	285 994.60	3.27	8 521 260.58
02. Administration:						
Original budget	27 973 000					
Less: Virement	(1 721 000)					
Less: Suspension	(1 395 500)	24 856 500	23 576 560.43	1 279 939.57	5.15	29 184 752.25
03. National Council Specialized Services:						
Original budget:	51 542 000					
Plus: Virement	1 753 000					
Less: Suspension	(921 600)	52 373 400	48 817 754.64	3 555 645.36	6.79	49 880 071.73
Total	85 967 000	80 845 420.47	5 121 579.53	5.96	87 586 084.56	

ANNEXURE A (Continued)

1.2 Standard subdivisions

Subdivision	2021/2022			2020/2021
	Authorized expenditure	Actual expenditure	Variations	Actual expenditure
			Under-expenditure/ (Excess)	
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	60 241 500	56 945 081.45	3 296 418.55	57 117 544.35
002. Employer's contribution to the G.I.P.F.	8 088 600	7 673 370.88	415 229.12	7 790 204.25
003. Other conditions of service	2 499 600	2 243 025.96	256 574.04	1 717 819.86
005. Employers contribution to the Social Security Commission	117 300	110 824.07	6 475.93	107 814.40
Total	70 947 000	66 972 302.36	3 974 697.64	66 733 382.86
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	8 808 000	8 120 525.63	687 474.37	6 030 416.12
022. Materials and supplies	367 000	358 156.11	8 843.89	474 654.42
023. Transport	1 000 000	1 000 000.00	-	2 107 529.90
024. Utilities	2 730 000	2 620 027.68	109 972.32	4 059 317.50
025. Maintenance	150 000	134 180.05	15 819.95	550 000.00
027. Other services and expenses	1 760 000	1 439 606.85	320 393.15	2 823 002.58
Total	14 815 000	13 672 496.32	1 142 503.68	16 044 920.52
Subsidies and other current transfers				
041. Membership fees and subscription: International	20 780	16 408.72	4 371.28	-
042. Membership fees and subscription: Domestic	14 220	14 213.66	6.34	-
Total	35 000	30 622.38	4 377.62	-
Total: Current expenditure	85 797 000	80 675 421.06	5 121 578.94	82 778 303.37
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	170 000	169 999.41	0.59	4 807 781.18
Total: Capital expenditure	170 000	169 999.41	0.59	4 807 781.18
GRAND TOTAL	85 967 000	80 845 420.47	5 121 579.53	87 586 084.56

ANNEXURE A (Continued)

1.3 Departmental revenue

Revenue for the year under review was as follows:

Revenue head	2021/2022			2020/2021
	Estimate	Actual revenue	More/(less) than estimated	Actual revenue
	N\$	N\$	N\$	N\$
Miscellaneous	5 000	-	(5 000)	-
Sale of bidding documents	-	-	-	600
Total	5 000	-	(5 000)	600

1.4 Notes to the financial statements

1.4.1 Appropriation account: Explanations of variations exceeding 2% between authorised and actual expenditure

Underexpenditure

Main division 01: Office of the Chairman (N\$ 285 994.60 – 3.27%)

A total amount of N\$ 285 994.60 (of which N\$ 147 543.03 is under personnel expenditure and N\$ 138 451.57 came from goods and other services) could not be spent due to the following reasons:

- Overestimation on employer's contribution to Government Institution Pension Fund and Social Security;
- Subsistence and travelling allowance claims which were not submitted on time and an outstanding commitment that could not be cleared by the end of the financial year;
- Overestimation and cost saving measures that were put in place on utilities; and
- Underexpenditure which occurred due to difference in price between the actual and estimated costs for training, printing, other goods and services, flowers and gifts.

Main division 02: Administration (N\$ 1 279 939.57 – 5.15%)

total amount of N\$ 1 279 939.57 (of which N\$ 1 132 600.93 is under personnel expenditure and N\$ 147 338.05 came from goods and other services including the subsidies and current transfers) could not be spent due to the following reasons:

- Vacant positions that could not be filled on time. (Director: General Services Grade 3 was only filled effective from 01 September 2021, Information Officer Grade 8 was filled effective from 01 February 2022, Chief Internal Auditor Grade 6 was only filled effective from 01 March 2022 while the position of Deputy Director Grade 4: Research and Information Services could not be filled.
- The underexpenditure under travelling and subsistence allowance occurred because of cancelled activities; and
- Variances between committed and actual payments of subscriptions.

Main division 03: National Council Specialized Services (N\$ 3 555 645.36 – 6.79%)

A total of N\$ 3 555 645.36 (of which N\$ 2 694 553.68 is under personnel expenditure and N\$ 861 091.68 came from goods and other services) could not be spent due to the following reasons:

- Vacant positions; i.e. Director Grade 3, Deputy Director Grade 4 – International Relations and Sergeant at Arms, and Deputy Secretary Grade 2 that was only filled effective from 01 June 2021;
- The underexpenditure in this subdivision occurred as a result of entertainment for members of Parliament and furniture benefit for the two members of Parliament not being utilised because of a pending court case;
- The underexpenditure under travelling and subsistence occurred because of an amount of N\$ 526 213.28 under outstanding commitments that could not be cleared by the end of the financial year; and
- The underexpenditure occurred on other goods and services that came as a result of change of needs.

2 GENERAL INFORMATION

2.1. Suspension of funds

The Accounting Officer reported that the Council suspended a total amount of N\$ 2 400 000.00 from the Vote during the mid-term budget review.

2.2. Debt to Government

The Accounting Officer reported debt amounting to N\$ 237 309.94 for eight (8) staff members and recovered an amount of N\$ 3 121.64 from one (1) staff member, which is attributed from daily subsistence allowance and salary overpayment during the year under review.

2.3. Annual stocktaking

The Accounting Officer reported that annual stocktaking was conducted for the year under review with the necessary Treasury approval at one (1) stock point. Stock on hand is valued at N\$ 17 905 695.15 and worn and damaged stock to the amount of N\$ 315 495.81 was found.

2.4 Vehicles (Government Garage)

2.4.1 Vehicles on hand

The Accounting Officer reported vehicles on hand as at 31 March 2022 as follows:

Vehicle type	Number
Sedans	11
Pick ups/combies	15
Total	26

2.4.2 Cost of damages –Accidents

The Accounting Officer reported six (6) vehicle accidents and three (3) vehicles here repaired during the year under review.

2.5 Wellness

The Accounting Officer reported expenditure amounting to N\$ 105 107.32 in respect of wellness activities for the year under review.

2.6 Suspense accounts

The final ledger shows four (4) suspense accounts with balances at the end of the financial year of which one (1) had a credit balance and three (3) had debit balances as follows:

Details	Balance as at 31 March 2022 Debit/(Credit)
Receipt suspense	N\$ (1 000)
S&T advance suspense account	790 768.95
Rejection account	85 151.41
Bills payable	199 019.82

WINDHOEK, 2022-08-29

ADV. TOUSY NAMISEB
ACCOUNTING OFFICER