REPUBLIC OF NAMIBIA

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

ANTI-CORRUPTION COMMISSION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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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 Anti-Corruption Commission for the financial year ended 31 March 2012 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.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, March 2013

REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE ANTI-CORRUPTION COMMISSION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

1. INTRODUCTION

1.1 Report

This report on the accounts of the Anti-Corruption Commission for the financial year ended 31 March 2012 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991), as amended.

1.2 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.

2. FINANCIAL STATEMENTS

The appropriation accounts were submitted to the Auditor-General in terms of Section 13 of the State Finance Act.

The financial statements, notes to the financial statements and general information supplied by the Accounting Officer are attached as annexure A to this report.

3. SCOPE OF THE AUDIT

3.1 The Accounting Officer of the Anti-Corruption Commission in co-operation with the Permanent Secretary of the Ministry of Finance is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions therein. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The audit included:

(a) examination on a test basis of evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements; and

(b) evaluation of the overall adequacy of the presentation of information in the financial statements.

3.2 The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

(a) the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;

(b) in all material respects, the expenditure and income have been applied to the purposes intended by the legislature; and

(c) the financial transactions conform to the authorities that govern them.

4. AUDIT OBSERVATIONS

4.1 MAIN ISSUES/FINDINGS IDENTIFIED BY THE AUDIT

4.1.1 Expenditure

The total budget of the Commission was underspend with an amount of N$ 10 471 094.97 (19.61%).

Although treasury approval was obtained to utilize certain expected savings for defrayal of excess expenditure by way of virements during the year, one (1) subdivision was exceeded by an amount totalling N$ 29 902.27 according to the main ledger. An amount is made up of operational expenditure. The excess expenditure is contrary to section 6(a)(iii) of the State Finance Act, 1991 (Act 31 of 1991).

4.1.2 Suspension

An approved suspension amount of N$ 10 000 000 is disclosed in the Appropriation account of the Commission. However, although disclosed, this amount was not subtracted from the vote.

The Accounting Officer should provide explanations for this omission.

5. ACKNOWLEDGEMENT

The co-operation and assistance of the management and staff of the Anti-Corruption Commission during the execution of the audit is appreciated.

6. EMPHASIS OF MATTER

Without qualifying my opinion, attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements:

a) Paragraph 4.1.1 Expenditure. The total budget of the Commission was underspend with an amount of N$ 10 071 094.97 (19.61%).
b) Paragraph 4.1.2 Suspension. Approved suspension not brought into account.

7. AUDIT OPINION

I certify that I have audited the financial statements of the Anti-Corruption Commission for the year ended 31 March 2012 in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, 1991 (Act 31 of 1991).

In my opinion the financial statements fairly represent the receipts and payments of Vote 30 for the year ended 31 March 2012, and in all material respects the receipts and payments have been applied to the purposes intended by the National Assembly and conform to the authorities which govern them.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

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NAMIBIA

ANNEXURE A

1. FINANCIAL STATEMENTS

1.1 Appropriation account

	2010/2012					2010/2011
				Variations		
Service		Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percent-age	Actual expenditure
		N$	N$	N$	%	N$
01. Anti-Corruption Commission Secretariat						
Original budget	62 546 000					
Less: Virements	(9 139 424)					
Less: Suspension	10 000 000)	53 406 576	42 935 481.03	10 471 094.97	19.61	24 712 342.67
Total		**53 406 576**	**42 935 481.03**	**10 471 094.97**	**19.61**	**24 712 342.67**

See paragraph 4.1.2

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2011/2012 Authorized expenditure	2011/2012 Actual expenditure	2011/2012 Under-expenditure/ (Excess)	2010/2011 Actual expenditure
	N$	N$	N$	N$
Operational:				
Current expenditure: Personnel				
001. Remuneration	13 332 576	13 330 762.71	1 813.29	10 562 929.32
002. Employer's contribution to G.I.P.F	1 624 000	1 622 168.85	1 831.15	1 299 988.45
003. Other conditions of service	71 000	27 634.17	43 365.83	23 940.37
Total	**15 027 576**	**14 980 565.73**	**47 010.27**	**14 256 954.77**
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	980 000	971 574.90	8 425.10	911 172.71
022. Materials and supplies	265 000	249 684.92	15 315.08	326 865.87
023. Transport	1 252 000	1 035 307.16	216 692.84	1 143 626.15
024. Utilities	1 519 000	1 369 378.44	149 621.56	1 070 523.02
025. Maintenance	60 000	40 281.14	19 718.86	21 417.39
026. Property rental and related charges	2 152 000	2 146 164.70	5 835.30	1 991 106.62
027. Other services and expenses	1 729 000	1 691 199.19	37 800.81	2 110 979.43
Total	**7 957 000**	**7 503 590.45**	**453 409.55**	**7 575 619.19**
Current expenditure: Membership fees and subscriptions				
041. Subscriptions: International	115 000	103 125.55	11 874.45	82 308.45
Total	**115 000**	**103 125.55**	**11 874.45**	**82 308.45**
Total: Current expenditure	**23 099 576**	**22 587 281.73**	**512 294.27**	**19 544 857.78**
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 923 000	1 952 902.27	(29 902.27)	569 829.92
102. Vehicles	786 000	776 519.10	9 480.90	461 812.40
Total: Capital expenditure	**2 709 000**	**2 729 421.37**	**(20 421.37)**	**1 031 642.32**
Total: Operational expenditure	**25 808 576**	**25 316 703.10**	**491 872.90**	**20 576 500.10**
Development:				
Development capital expenditure				
107. Construction, renovation and improvement	27 598 000	17 618 777.93	9 979 222.07	4 135 842.57
Total	**27 598 000**	**17 618 777.93**	**9 979 222.07**	**4 135 842.57**
Total Development expenditure	**27 598 000**	**17 618 777.93**	**9 979 222.07**	**4 135 842.57**
GRAND TOTAL	**53 406 576**	**42 935 481.03**	**10 471 094.97**	**24 712 342.67**

1.3 Departmental revenue

Revenue for the year is reported as follows:

Revenue heading	Estimate	Actual revenue 2011/2012	More/(Less) than estimated	Actual revenue 2010/2011
	N$	N$	N$	N$
Private telephone calls	5 000	-	(5 000.00)	
Unclaimed cheques	10 000	-	(10 000.00)	-
Miscellaneous revenue	4 000	(54 084.32)	58 084.32	37 069.06
Total	**19 000**	**(54 084.32)**	**(73 084.32)**	**37 069.06**

1.4.1 Notes to the financial statements

1.4.1 Appropriation account: Explanation for variation exceeding 2% between authorized and actual expenditure.

(i) Underexpenditure

Main division 01: Anti-Corruption Commission Secretariat (N$ 10 471 094.97 – 19.61%)

The under spending can be attributed mainly to the delay in the execution of the Anti-Corruption Commission Development Project, the construction of the Anti-Corruption Commission Headquarter. The Ministry of Works was slow in relocating the occupants on the erven where the said construction had to take place. As a result of the said slow relocation the construction site was handed over later than anticipated.

2. GENERAL INFORMATION

2.1 Bank accounts

The Commission operates three (3) bank accounts. Treasury authorization was obtained and the balance is as follows as at 31 March 2012:

Name of Account	Bank	Balances as at 31 March 2012
		N$
Anti-Corruption Commission Special Operations account	First National Bank	2 592 228.15
SAFA AGM Account	First National Bank	-
Regional Office Partitioning Account	First National Bank	699 9.00

2.2 Development project

The following development project of the Commission was operated during the financial year under review:

Nature of project	Approved total budget	Total expenditure at 31 /03/2011	Approved appropriation 2011/2012	Actual expenditure 2011/2012	Total expenditure at 31 /03/2012	Expected year of completion
	N$	N$	N$	N$	N$	
Construction of ACC Headquarters	59 810 000	4 146 767.57	27 598 000	17 618 777.93	21 765 545.50	31/08/2014
Total	**59 810 000**	**4 146 767.57**	**27 598 000**	**17 618 777.93**	**21 765 545.50**	

ANNEXURE A (continued)

2.3 Donations to the Government by foreign instances and Governments

The Commission received three (3) donations from foreign instances and Treasury approval was obtained:

Donor	Purpose of the donation	Nature of donation
African Development Bank	To fund the Southern Africa Forum Against Corruption (SAFAC) annual general meeting	N$ 179 849.50
United Nation Development Program (UNDP)	To pay for the printing of Namibia National urban corruption perception survey	N$ 29 000.00
Freedom House Southern Africa (FHSA)	To finance the Encase Forensic phase 2 training for six (6) Anti-Corruption Commission officers	The money was paid by the donor directly to the service provider

2.4 Deviations from normal Tender procedures

The Commission obtained exemptions from normal Tender procedures from the Tender Board under reference E1/30-1/2011, E1/30-2/2011 and E1/30-3/2011for procurements of goods and services.

Tender board reference	Nature of goods /services	Approved exemption amount	Actual expenditure	Differences
E1/30-1/2011		N$	N$	N$
For procurement of goods and services which cannot be procured through normal tender board procedures	• Travel and Subsistence expenses	700 000	224 498.00	475 502.00
	• Material and Supplies	200 000	27 184.00	172 816.00
	• Utilities	100 000	-	100 000.00
	• Maintenance	100 000	23 256.00	76 744.00
	• Other services and expenses	1 348 000	288 810.15	1 059 189.85
	• Membership fees and subscription	80 000	37 485.00	42 515.00
E1/30-2/2011 Integrated Database and Analytical Application (goCASE)	Furniture and office equipment	3 200 000	1 487 082.43	1 712 917.57
E1/30-3/2011 Service to be rendered by Namibia Broadcasting Corporation (NBC)	Other services and expenses	72 990	72 990.00	-
TOTAL		**5 800 990**	**2 161 305.58**	**3 639 684.42**

PAULUS NOA
ACCOUNTING OFFICER

WINDHOEK, 2012-10-26