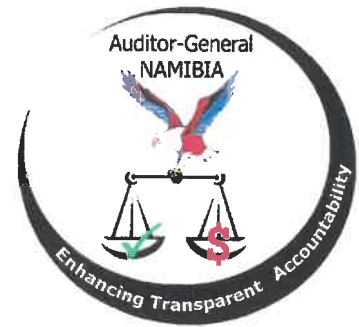




REPUBLIC OF NAMIBIA

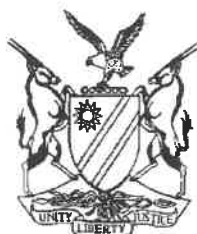


**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
ELECTORAL COMMISSION OF NAMIBIA
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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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 Electoral Commission 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.

WINDHOEK, March 2019

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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.

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

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Electoral Commission 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 Appropriation Account, Standard Subdivisions, Departmental Revenue, 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.

In my opinion, the financial statements of the Electoral Commission 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:

1.3 EMPHASIS OF MATTERS

Attention is drawn to the management on the following matter(s) that relate to my responsibility in the audit of the financial statements, as disclosed by the Electoral Commission of Namibia in the financial statements:

1.3.1 Bills payable

The Bills Payable suspense account reflects a debit balance of N\$ 5 260 906.30 compared to N\$ 4 554 916.17 the previous years

The Accounting Officer should explain why the Bills Payable suspense account reflects a debit balance instead of a credit balance.

Management comment

In his response on the draft report, the Accounting Officer indicated that the debit balance comes a long way from previous years. After several attempts with the Ministry of Finance staff members to assist in clearing the debit balance, the staff members could not assist to solve the problem. At the time of writing the report, no solution was found.

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. 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.

1.4 OTHER MATTERS

Attention is drawn to the management on the following matter(s) that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Electoral Commission of Namibia in the financial statements:

1.4.1 Risk Management Policy

The audit noted that management has not come up with a documented risk management policy to provide information and guidance on Risk Management. Risk Management is a process of identifying, assessing, managing and controlling risks within an organization. It is also aimed at providing guidance regarding the management of risk to support the achievement of the commission objectives, protect staff and the Agency's assets and ensure financial stability.

It is recommended that the commission should develop and implement a Risk Management policy for effective risk mitigation.

1.4.2 Audit Committee

The Commission does not have an Audit Committee. An Audit Committee is charged with oversight of financial reporting and disclosure. The primary role of the audit committee is to provide independence in communication and oversight relating to the audit process, which ensures accurate financial reporting.

It is recommended that the Accounting Officer should ensure that an Audit Committee is put in place.

It is recommended that the Accounting Officer should ensure that an Audit Committee is put in place.

Management comment

In his response on the draft report, the Accounting Officer indicated that the Commission appointed an internal audit committee effective from October 2018.

1.6 FOLLOW UP ON PRIOR YEAR AUDITS

1.6.1 Underexpenditure

The total budget of the Commission was underspent with an amount of N\$ 2 640 526.21 (3.89%). These funds could have been used for other pressing needs in the country. It is furthermore noted with grave concern that the Commission has underspent its total budget for the past five years as follows:

Financial year	Amount underspent	Percentage
	N\$	%
2013/2014	1 323 417.86	0.60
2014/2015	13 500 006.41	3.60
2015/2016	9 943 259.03	3.59
2016/2017	8 149 422.67	5.31
2017/2018	2 640 526.21	3.89

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 Electoral Commission 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 Electoral Commission of Namibia's financial performance and the use of its appropriated funds, is in compliance with the Appropriation Act, Act 1 of 2017; State Finance Act, Act 31 of 1991, Public Procurement Act, Act 15 of 2015; Treasury Instructions and Public Procurement Regulation during the financial year ended 31 March 2018. This audit is an attestation engagement where the Commission 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 Electoral Commission 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.

2.4 Audit criteria

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

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.

2.5 Summary of methods applied

I verified the annual statements for the financial year ended 31 March 2018 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulation that governs them.

2.6 Unqualified audit opinion on the subject matter

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

2.7 KEY AUDIT FINDINGS

2.7.1 Unauthorized expenditure

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

- i) Two (2) Subdivision were exceeded with a total amount of N\$ 1 182.58 which is unauthorised in terms of Section 6 (a) (iii) of the Act.

Management comment

In his response on the draft report, the Accounting Officer indicated that the unauthorized expenditure was caused by the final virement for the year under review.

2.7.2 Outstanding Subsistence Advances

The Accounting Officer reported a total of forty five (45) cases of outstanding subsistence advances amounting to N\$ 232 799.01 at 31 March 2018 as per the IFMS Daily Subsistence and Travelling debit balance list. Furthermore, the S&T Advance suspense account reflects a closing balance of N\$ 105 414.01 as at 31 March 2018 which gives an unexplained difference of N\$ 127 385.00. The outstanding advances balance of N\$ 174 189.87 was in respect of advances taken during March 2018.

The Accounting Officer is therefore urged to ensure that steps are taken to clear the S&T Advance Suspense Account at all times. Claims should be submitted within thirty (30) days as stated in Treasury Instruction HB0505.

It is further recommended that should the claim amount be less than the advance amount, the difference should be recovered from the staff members or officials as stipulated by Treasury Instruction HB 0506.

Management comment

In his response on the draft report, the Accounting Officer indicated that the Commission acknowledge the outstanding subsistence advances and will take the advice to make sure that all claims are submitted within 30 days as per Treasury Instruction HB 0505.

3. AUDIT OF PERFORMANCE INFORMATION

The Commission does not have an approved/signed strategic plan and annual plan in place. The documents that were provided for audit, were not approved and other documentation requested could also not be submitted for audit purposes, hence the audit of key performance information could not be conducted.

3.1 Conclusion on the Subject Key performance indicators

The key performance indicator audit could not be carried out, as the performance information (strategic plan and annual plans) submitted by the Commission were not approved/signed during the 2017/2018 financial year.

3.2 Key audit findings**Unapproved strategic plan and Annual plan review**

The audit found that the annual plan and annual plan review submitted are not approved and, thus, makes it invalid for the daily operation of the Ministry and for audit purposes.

The Accounting Officer should provide an explanation as to why the Agency does not have an approved annual plan as well as an approved annual plan review for the year under review.

3.3 Non-submission of Accountability Report

The Accountability report was not provided for audit purposes.

It is strongly recommended that the Accounting Officer should provide the Accountability report.

3.4 Reply from the audited entity (as appropriate)

The management letter for key performance indicators audit dated 8th of November 2018 was sent to the Accounting Officer in order to respond on the matters found during the audit. At the time of writing this report, the response had been received that dated 26th November 2018. The Accounting Officer responded as follows:

3.5 Non-Submission of Accountability report

The Electoral Commission of Namibia takes note of the audit query on non-submission of the accountability report. However, the Commission stated that it should be noted that the accountability report is prepared and submitted to the Ministry of Finance as per the timelines provided by the Ministry of Finance.

3.6 Unapproved Strategic Plan and Annual Plan

The Electoral Commission of Namibia stated in their response that the Office of the Auditor-General was provided with the approved copies of the Strategic Plan and Annual Plan on 18 November 2018 and that the Commission is in disagreement that the documents were unapproved.

Furthermore, the Electoral Commission of Namibia made reference to the meeting held on 06 November 2018 at the Electoral Commission of Namibia Head Quarters where it was indicated that a printed copy of the approved Strategic Plan will be made available to the Office of the Auditor-General on 06 December 2018.

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 of overseeing the entity's financial reporting process.

The management is also responsible for ensuring adherence to the State Finance Act, Act 31 of 1991, Procurement Act, Act 15 of 2015 and Treasury Instruction 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 scepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility is 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 financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 29 October 2018 in terms of Section 13 of the State Finance Act, 1991.

8. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Electoral Commission of Namibia during the audit is appreciated.

WINDHOEK, March 2019



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

Service	2017/2018				2016/2017	
	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
	N\$	N\$	N\$	%	N\$	
01. Administration:						
Original budget	31 312 000					
Plus : Virement	8 137 506					
Less : Suspension	(1 396 000)	38 053 506	36 236 349.68	1 817 156.32	4.78	98 402 629.74
02. Planning, Registration and Voting:						
Original budget	14 336 000					
Less: Virement	(1 301 396)	13 034 604	12 784 682.37	249 921.63	1.92	21 043 408.15
03. Voter Education:						
Original budget	21 266 000					
Less: Virement	(4 044 110)					
Less: Suspension	(400 000)	16 821 890	16 248 441.74	573 448.26	3.41	25 888 746.87
Total	67 910 000	65 269 473.79	2 640 526.21	3.89	145 334 784.76	

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2017/2018			2016/2017
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	37 352 098	36 774 075.26	578 022.74	36 103 278.58
Employer's contribution to the				
002. G.I.P.F. and M.P.O.O.B.P.F.	1 910 797	1 761 620.60	149 176.40	1 533 691.24
003. Other conditions of service	1 195 461	1 183 368.53	12 092.47	5 578 474.60
Employers contribution to the Social				
005. Security Commission	144 000	138 709.07	5 290.93	1 040.56
Total	40 602 356	39 857 773.46	744 582.54	43 216 484.98
Current expenditure: Goods and other services				
021. Travel and subsistence allowance	1 853 000	1 603 940.11	249 059.89	2 885 429.09
022. Materials and supplies	1 100 220	772 679.79	327 540.21	3 885 892.94
023. Transport	4 172 382	3 978 060.97	194 321.03	67 511 512.54
024. Utilities	5 604 148	4 997 059.48	607 088.52	7 130 491.36
025. Maintenance expenses	688 857	655 846.41	33 010.59	1 582 620.40
026. Property rental and related charges	1 349 411	1 261 928.99	87 482.01	1 855 657.14
027. Other services and expenses	6 708 403	6 458 731.48	249 671.52	7 756 852.74
Total	21 476 421	19 728 247.23	1 748 173.77	92 608 456.21
Subsidies and current transfers				
041. Membership fees and subscriptions: International	336 000	323 779.82	12 220.18	318 186.25
Total	336 000	323 779.82	12 220.18	318 186.25
Total: Current expenditure	62 414 777	59 909 800.51	2 504 976.49	136 143 127.44
Operational Capital expenditure:				
Capital Assets				
101. Furniture and office equipment	3 015 431	2 879 881.91	135 549.09	1 047 646.49
103. Operational equipment, machinery and plants	-	-	-	22 276.90
Total: Capital expenditure	3 015 431	2 879 881.91	135 549.09	1 069 923.39
Total: Operational expenditure	65 430 208	62 789 682.42	2 640 525.58	137 213 050.83

1.2 Standard subdivisions

Subdivision	2017/2018			2016/2017
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Development:				
Capital expenditure: Acquisition of capital assets				
105.Feasibility studies, design and supervision	1 489 022	1 489 021.37	0.63	3 410 864.93
106. Purchase of land and intangible assets	990 770	990 770.00	-	950 000.00
107.Construction, renovation and improvement	-	-	-	3 760 869.00
Total: Development expenditure	2 479 792	2 479 791.37	0.63	8 121 733.93
Grand Total	67 910 000	65 269 473.79	2 640 526.21	145 334 784.76

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate 2017/2018	Actual revenue 2017/2018	More/(Less) than estimated	Actual revenue 2016/2017
	N\$	N\$	N\$	N\$
Unclaimed cheques	-	857 654.73	857 654.73	-
Miscellaneous	1 000	96 216.83	95 216.83	34 897.37
Deposits made by political parties	2 000	7 500.00	5 500.00	(2 500.00)
Total	3 000	961 371.56	958 371.56	32 397.37

1.5 Notes to the financial statements

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

Underexpenditure

Main division 01: Administration (N\$ 1 817 156.32- 4.78%)

The Electoral Commission acknowledges the under spending of 4.78% (N\$ 1 817 156.32) less than voted. The main division recorded an overall 95.22% execution rate inclusive of Capital Project. However, the overall operational budget execution rate for the main division stood at 95% with a variance of 5%. However, a huge

under spending was realized under materials and supplies, the execution rate under personnel expenditure stood at 95% less than voted.

The Electoral Commission took cognizance of the different directives communicated on expenditures control and cash management. These directives were married together with the directive from Cabinet to contain the wage bill. Consequently, during the year under review ECN experienced staff turnover mainly temporary employees and few permanent employees who got promotional positions to other O/M/As. Therefore, during the year the following positions remained vacant;

- One (1) Administrative Officer, Grade 12
- Internal Auditor Grade 8 (filled during December 2017)
- Two (2) temporary Accounts Assistants
- One (1) Driver

Thus, it resulted in underspending of N\$ 793 269.44 on personnel expenditures for the main division. The other notable underexpenditure of 5% was on subsistence and travelling allowance, which was due to the Commission that was having outstanding commitments towards the domestic daily tariff due to the by-election that happened in March 2018. Thus, the commitments were only processed in the new financial year. For material and supplies, control measures were implemented for the usage of cartridges to minimize on the expenditure.

Despite the Commission's effort to inform suppliers to submit the March 2018 invoices before the cut-off date for payments, MTC, Telecom and City of Windhoek could not submit their invoices on time. The invoice for the servicing of the generator at head office was also received after the cut-off date. The Commission recorded an underspending of 5% due to the postponement of some of the Commissioners activities and the printing of the strategic plan was not done during the financial year under review.

Main division 03: Voter Education (N\$ 573 448.26-3.41%)

The underspending is attributed to the following:

The Electoral Commission acknowledges the underutilization of 3.41% (N\$ 573 448.26) less than voted. The overall execution rate for the main division stood at 96.59% with a variance of 3.01% less than voted.

The monthly budget reversal of utilized funds back to the budget ledger introduced by Treasury for travelling and subsistence which made it very difficult for the utilization of these funds. This resulted in scaling down of all voter educated activities for the year under review.

There was no research undertaken by the division during the financial year 2017/2018, thus the funds were not used due to the slow release of funds on a monthly basis by the Ministry of Finance which contributed significantly to underspending as this made it very difficult if not impossible to make funds available for transfer to the main or subdivision where funds could have been needed.

The main division budgeted for any impending by-election during the 2017/2018 financial year; however the Eengodi Constituency by-election did not take place because only one (1) political party fielded the candidate,

who was duly nominated as Councillor. As a result, the main division did not utilize the funds to produce voter education materials as well as conduct civic and voter education campaign.

In conclusion, it is evident that the ECN indeed fully maximized and utilized the appropriated funds, despite the suspension and stringent measures introduced by Treasury to bring about the perfect match between Revenue and Expenditure for proper cash and expenditure management. ECN managed to implement priorities among priority activities for the year under review. Over the period, the change was embraced and managed well and this is noted by ECN's execution rate which stood at 96.11% with a variance of 3.89% for the year under review. Thus, this means that the Electoral Commission of Namibia managed to execute all its electoral activities within the appropriated funds.

1.4.2 Departmental Revenue: Explanations of variations exceeding N\$ 200 000

Underestimation

Unclaimed cheques (N\$ 857 654.73)

The variances of N\$ 857 654.73 under the revenue head of unclaimed cheques were caused by the fact that the revenue head was not budgeted for and the transaction under it are stale cheques which were posted by the Ministry of Finance during the closure of the financial year under review.

2. GENERAL INFORMATION

2.1 Capital projects

The following was the development project of the Commission for the year under review:

Nature of project	Approved total budget	Approved appropriation 2017/2018	Total expenditure at 31/03/2017	Actual expenditure 2017/2018	Total expenditure at 31/03/2018	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of the Electoral Commission of Namibia regional offices	111 976 000	2 479 792	14 137 773.92	2 479 791.37	16 617 565.29	31 March 2022
Total	111 976 000	2 479 792	14 137 773.92	2 479 791.37	16 617 565.29	

2.2 Commissions and Special Committees

The Accounting Officer reported total costs incurred by the Electoral Commission Board Members amounted to N\$ 1 363 429.95 as at 31 March 2018.

2.3 Bursaries and study assistance

The Accounting Officer reported that the Commission provided six (6) candidates with financial assistance for studies at various local and international institutions to a total amount of N\$ 58 980.40.

2.4 Wellness

The Accounting Officer reported expenditure amounting to N\$ 72 623.06 in respect of wellness activities during the year under review.

2.5 Fixed property bought

The Accounting Officer reported an Erf bought amounting to N\$ 990 770 for the year under review.

2.6 Motor vehicles on hand-Government Garage Fleet

The Accounting Officer reported a total number of one hundred and twenty-four (124) vehicles on hand for the Government garage as at 31 March 2018.

2.7 Points keeping stock and annual stocktaking

The Accounting Officer reported that two (2) points were inspected by the Commission for the year under review. Items amounting to N\$ 9 533 295.20, were written off and closing stock was valued at N\$ 57 523 057.31

2.8 Suspense accounts

The final ledger shows four (4) suspense account balances of which two (2) had debit balance and two (2) with credit balances as at 31 March 2018 as follows:

Description	Balance as at 31 March 2018	
	Debit/(Credit)	
	N\$	
Pension Funds: GIPF		(7 387.50)
Rejection account		(5 651.00)
S&T Advance suspense account		105 414.01
Bills payable		5 260 906.30

WINDHOEK, 2018-10-29

MR. THEO MUJORO
ACCOUNTING OFFICER

