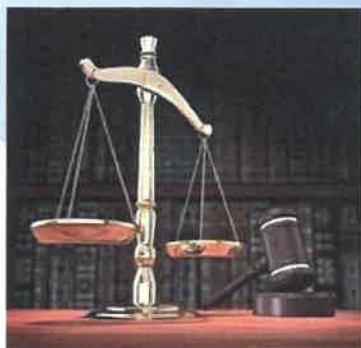




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF JUSTICE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Published by authority

Price (Vat excluded) N\$ 44.00
Report no: 22/2019

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 Ministry of Justice 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, February 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
MINISTRY OF JUSTICE
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 Ministry of Justice 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, for the year then ended, and the notes to the financial statements and general information supplied by the Accounting Officer are also attached.

In my opinion, the financial statements of the Ministry of Justice as at 31 March 2018 are prepared, in all material respects, in accordance with the State Finance Act, 1991 (Act 31 of 1991).

1.2 EMPHASIS OF MATTERS

Without qualifying my audit opinion on the basis of this paragraph, I draw attention to the following matters that relate to my responsibility in the audit of financial statements, as disclosed by the Ministry of Justice in the financial statements.

1.2.1 Bank accounts

It was found that the Ministry operated a bank account at the Permanent Mission in Geneva. However, this bank account has never been reported to the Auditor-General as required by Circular D12/2018 of the Auditor-General.

It is recommended that the Accounting Officer should explain why this bank account has not been reported to the Auditor-General.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the Ministry is unable to respond to the query as the Ministry has not received the reconciliation statement from Geneva upon receipt of these statements. The Ministry gave instruction for the account to be closed.

1.2.2 Vehicles

The Accounting Officer reported three (3) trailers as at 31 March 2017. However, as at 31 March 2018, only two (2) trailers were reported.

The Accounting Officer should explain the difference.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the Ministry reported two (2) trailers on 31 March 2018. The third trailer was deemed to be assigned to the Office of the Judiciary upon separation between this Ministry and the Office of the Judiciary. After consultation with Judiciary, it was

found that the trailer is not with them. The Ministry is now busy to trace the whereabouts of the trailer since there are three Directorates in the regions with which the trailer could possibly be. The Ministry will revert back to the Office of the Auditor-General on the outcome of the investigation.

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. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

No key audit matter is reported for the year under review.

1.4 OTHER MATTERS

Without expressing an audit opinion on the basis of this paragraph, and excluding matters already disclosed by the Ministry of Justice in the financial statements, I draw attention to the following matters that relate to my responsibility in the audit of the financial statements:

1.4.1 Risk Management Policy

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

It is recommended that the Ministry should implement a Risk Management Policy.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the Ministry will implement the risk management policy in the 2019/2020 financial year.

1.4.2 IT Disaster Recovery Plan

Disaster recovery plan is an integral part of the overall risk management of the Ministry. Since all of the risks cannot be eliminated, the management should implement a disaster recovery plan to prepare for potentially disruptive events. This process is extremely important because it provides detailed strategies on how the Ministry will continue after severe interruptions and disasters. In the event of a disaster, the continued operations of the Ministry depend on the ability to replicate its IT systems and data. The disaster recovery plan stipulates how the Ministry will prepare for a disaster, what the Ministry's response will be, and what steps it will take to ensure that operations can be restored.

The audit noted that management has not yet finalised an approved IT disaster recovery plan to provide information and guidance in the event of a disaster.

It is recommended that the Accounting Officer should finalise an IT disaster recovery planning document for implementation purposes.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the Ministry will implement the Disaster recovery plan in 2019/2020 financial year.

1.5 OTHER INFORMATION

Management is responsible for the other information. The auditor's opinion on the financial statements does not cover the other information and, accordingly, the auditor does 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.

2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION**2.1 COMPLIANCE TO LAWS AND REGULATIONS**

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

2.1.1 Description of the subject matter information and audit scope

The audit aimed to determine whether the Ministry of Justice's financial performance and the use of appropriated funds is in compliance with the State Finance Act, 1991 (Act 31 of 1991), the Treasury Instructions, Appropriation Act, Act 1 of 2017, Public Procurement Act, 2015 (Act 10 of 2015) and Public Procurement Regulations. This audit is an attestation engagement where the Ministry 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.

2.1.2 Audit objective

The objective of this compliance audit is to verify and assess whether Ministry of Justice 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.

2.1.3 Audit criteria

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

Appropriation Act, 2017 (Act 1 of 2017);
State Finance Act, 1991 (Act 31 of 1991);
Treasury Instructions;
Public Procurement Act, 2015 (Act no.15 of 2015); and
Public Procurement Regulations.

2.1.4 Summary of methods applied

I audited the financial 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 regulations that governs them.

2.1.5 Opinion on the subject matter

In my opinion, the Ministry of Justice's financial performance and the use of appropriated funds is in compliance, 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 1 of 2017).

2.1.6 Key audit findings

2.1.6.1 Unauthorized expenditure

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

(i) One (1) main division was exceeded with N\$ 2 611 438.15 (3.91%), which is unauthorised in terms of Section 6 (a)(i) of the State Finance Act, Act 31 of 1991.

(ii) Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, nine (9) subdivisions were exceeded with a total amount of N\$ 2 880 716.80 which is unauthorised in terms of Section 6(a)(iii) of the State Finance Act, Act 31 of 1991.

It is recommended that the Accounting Officer should put measures in place to avoid over-spending and ensures that planned activities are implemented within the approved budget. Furthermore, if specific activities are expected to exceed the budgeted funds due to unforeseen circumstances, funds should be viremented from activities where savings are expected.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the over-expenditure is as a result from payments for legal aid as the Ministry cannot predict how many cases will be received during the financial year. The other reason for the over expenditure was caused by late bookings of GIPF and Social Security expenses that were booked after the closure of the financial year. A virement was requested which was signed off by the Ministry of Finance but was not approved and posted.

3. AUDIT OF PERFORMANCE INFORMATION

I certify that I have audited the performance information of the Ministry of Justice for the financial year ended 31 March 2018.

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 organisation 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 the implementation of National Development Plans (NDP) and improve on service delivery to the general public.

3.2 Audit objective

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

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

3.3 Audit criteria

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

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

3.4 Summary of methods applied

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Justice and the Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives. The scoping on Key performance indicators was conducted on the *Directorate of Central Administration and Legal Support Services*.

3.5 Key audit findings

3.5.1 Percentage of staff members with signed performance agreements

(i) This indicator was tested for presentation and the audit found differences from the planned performance in the annual plan to the actual performance in the annual plan review report as only fifty five percent (55%) have been achieved and 45% was not achieved but no reason for the variance was reported in the annual plan review report.

(ii) Furthermore, the indicator was tested against the sub criteria of validity and found that out of three hundred and eighty (380) staff members; only two hundred and eight (208) staff members signed their performance agreements.

The Accounting Officer should provide an explanation on the non-achievement of key performance indicator's actual performances and explain why the variances are not explained in the annual plan review report. Furthermore, the Accounting Officer should provide reasons for these differences on this KPI.

Management comment

In his comment on the draft report, the Accounting Officer indicated that challenge the Ministry is facing is that staff members that were seconded to other directorates or assigned to political office bearers, did not know who to be responsible for their PMS and quarterly reviews. OPM could also not assist the Ministry with solving the challenge.

3.5.2 Percentage of audit recommendations implemented

The above mentioned indicator was tested for presentation and validity and the audit found differences from the planned performance (100%) in the annual plan to the actual performance in the annual plan review report as only ten percent (10%) was reported to have been achieved and no reason for variance is reported in the annual plan review report.

The Accounting Officer should provide an explanation why this key performance indicator's actual performance was not achieved and why the variances were not explained in the annual plan review report.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the Ministry reported 10% achievement.

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.

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 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 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 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 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 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.

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 08 October 2018 in terms of Section 25 (1) of the State Finance Act, 1991 (Act.31 of 1991).

8. ACKNOWLEDGEMENT

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

WINDHOEK, February 2019


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation Account

2017/2018						2016/2017
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure / (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
01 Office of the Minister:						
Original budget	3 151 000					
Less: Virement	(26 404)					
Less: Suspension	(90 000)	3 034 596	2 982 389.04	52 206.96	1.72	2 734 102.89
02. Central						
Administration And Legal Support Services:						
Original budget	272 626 000					
Plus: Additional budget	6 761 000					
Less: Virement	(1 541 887)					
Less: Suspension	(30 727 000)	247 118 113	244 660 676.24	2 457 436.76	0.99	142 153 208.14
03. Law Reform:						
Original budget	11 872 000					
Less: Virement	(1 071 550)	10 800 450	10 589 731.03	210 718.97	1.95	9 967 029.07
04. Legislative Drafting:						
Original budget	20 090 000					
Less: Virement	(512 100)	19 577 900	19 264 247.22	313 652.78	1.60	17 391 934.77
05. Office of the Ombudsman:						
Original budget	21 636 000					
Plus : Virement	1 542 740					
Less: Suspension	(126 000)	23 052 740	22 680 387.85	372 352.15	1.62	18 359 298.20

ANNEXURE A

1.1 Appropriation account (continued)

2017/2018						2016/2017
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent-age	
	N\$	N\$	N\$	N\$	%	N\$
06. Legal Aid :						
Original budget	60 844 000					
Plus: Additional budget	7 300 000					
Less: Virement	(1 404 250)	66 739 750	69 351 188.15	(2 611 438.15)	(3.91)	54 892 580.43
07. Legal Service:						
Original budget	16 635 000					
Plus: Virement	2 977 246	19 612 246	19 238 888.32	373 357.68	1.90	15 950 344.01
08. Master of High Court						
Original budget	16 575 000					
Less: Virement	(110 770)	16 464 230	16 349 876.34	114 353.66	0.69	16 755 577.98
09. Attorney General:						
Plus: Virement	35 539	35 539	-	35 539.00	100	-
10. Civil Litigation:						
Plus: Virement	1 422	1 422	-	1 422.00	100	-
11. Prosecutor General:						
Plus: Virement	76 645	76 645	-	76 645.00	100	-
12. Legal Services and International Cooperation:						
Plus: Virement	12 875	12 875	-	12 875.00	100	-
13. Master of High Court:						
Plus: Virement	8 840	8 840	-	8 840.00	100	197 328.16
14. Magistracy:						
Plus: Virement	11 654	11 654	-	11 654.00	100	(1 593.86)
TOTAL:		406 547 000	405 117 384.19	1 429 615.81	0.35%	278 399 809.79

ANNEXURE A (continued)

1.2 Standard Subdivisions

Subdivision	2017/2018			2016/2017
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	116 647 000	115 640 675.69	1 006 324.31	115 313 896.99
002. Employers contribution to the GIPF and M.P.O.O.B.P.F	13 479 410	13 612 310.58	(132 900.58)	12 614 645.42
003. Other condition of service	2 421 230	2 401 464.57	19 765.43	1 331 396.81
004. Improvement of Remuneration Structure	-	-	-	1 081 064.22
005. Employers contribution to the social security	285 000	241 986.13	43 013.87	(500.45)
Total	132 832 640	131 896 436.97	936 203.03	130 340 502.99
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	6 431 000	5 636 807.95	794 192.05	6 492 962.38
022. Materials and supplies	4 310 400	4 245 564.83	64 835.17	2 520 400.98
023. Transport	6 385 984	6 384 548.25	1 435.75	-
024. Utilities	16 060 000	16 047 742.46	12 257.54	22 324 593.99
025. Maintenance	349 000	332 898.92	16 101.08	994 096.55
026. Property rental and related charges	2 900 000	2 895 430.28	4 569.72	1 459 223.56
027. Other services and expenses	65 867 776	68 585 363.20	(2 717 587.20)	52 669 169.44
Total	102 304 160	104 128 355.89	(1 824 195.89)	86 460 446.90
Current expenditure: Membership fees and subscriptions				
041. International	628 200	603 451.48	24 748.52	496 686.19
042. Domestic	109 000	108 484.23	515.77	59 241.14
044. Individuals and Non-Profit Organisation	15 423 000	15 422 773.51	226.49	-
Total	16 160 200	16 134 709.22	25 490.78	555 927.33
Total: Current expenditure	251 297 000	252 159 502.08	(862 502.08)	217 356 877.22
Operational Capital expenditure				
101. Furniture and office equipment	1 630 000	1 629 216.09	783.91	967 798.18
Total: Capital expenditure	1 630 000	1 629 216.09	783.91	967 798.18
Total: Operational expenditure	252 927 000	253 788 718.17	(861 718.17)	218 324 675.40
Development Capital expenditure				
104. Purchase of building	81 500 000	81 500 000.00	-	-
105. Feasibility studies, design and supervision	7 440 000	6 770 687.86	669 312.14	18 415 661.38
107. Construction, renovation and improvement	64 680 000	63 057 978.16	1 622 021.84	41 659 473.01
Total: Development expenditure	153 620 000	151 328 666.02	2 291 333.98	60 075 134.39
GRAND TOTAL	406 547 000	405 117 384.19	1 429 615.81	278 399 809.79

1.3 Revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2017/2018	More/(Less) than estimated	Actual revenue 2016/2017
	N\$	N\$	N\$	N\$
Unclaimed money	-	1 936 796.84	1 936 796.84	-
Miscellaneous	-	1 262 230.61	1 262 230.61	133 115.05
Legal fees	5 000	18 577.50	13 577.50	72 493.15
Bail	200 000	-	200 000.00	-
Government Gazette	500 000	1 174 430.15	674 430.15	567 782.17
Total	705 000	4 392 035.10	3 687 035.10	773 390.37

1.4 NOTES TO THE FINANCIAL STATEMENTS

1.4.1 Appropriation account: Explanations of variations exceeding 2 % between the authorised and actual expenditure of the main divisions.

(i) Over-expenditure

Main division 06 – Legal Aid (N\$ 2 611 438.15 – 3.91%)

Over-expenditure resulted from payments for legal cost for private practitioners who represent eligible applicant on the instruction of Legal Aid. The Ministry cannot predict how many cases will be received during a financial year and what the magnitude of such cases will be. It is the obligation of Government to provide financial assistance for legal presentation to people who cannot hire a private lawyer.

(ii) Underexpenditure

Main division 09- Master of the High Court	(N\$ 35 539 – 100%)
Main division 10- Attorney General	(N\$ 1 422 – 100%)
Main division 11- Civil Litigation	(N\$ 76 645– 100%)
Main division 12- Prosecutor-General	(N\$ 12 875 – 100%)
Main division 13- Legal Service and International Co-Operation	(N\$ 8 840 – 100%)
Main division 14- Magistry	(N\$ 11 654 – 100%)

These main divisions listed above had outstanding commitments on the Funds Distribution Certificate and it reflected a negative amount on these main divisions. The Ministry processed a virement to clear the negative amounts and this resulted in underexpenditure. The accounting transaction error of outstanding commitments was communicated to the Ministry of Finance to disable these main divisions.

ANNEXURE A (continued)

2. GENERAL INFORMATION

2.1 Capital projects

The Accounting Officer reported the following development projects of the Ministry during the year under review:

Nature of project	Approved total budget	Total expenditure as at 31/03/2017	Approved appropriation 2017/2018	Actual expenditure 2017/2018	Total expenditure as at 31/03/2018	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Justitia Building Renovation	555 238 000	54 873 318.31	2 500 000	2 493 143.23	57 366 461.54	31/03/2019
Lower Courts Renovation	25 338 000	23 012 852.76	3 000 000	2 251 516.82	25 264 369.58	31/03/2020
Lower Courts Upgrading	534 124 000	312 79309.78	33 000 000	32 551 634.09	345 344 943.87	31/03/2020
Ombudsman Office Construction	54 098 000	12 471 715.78	2 000 000	1 851 958.14	14 323 673.92	31/03/2021
Supreme Courts Renovations	33 000 000	19 113 636.22	-	-	19 113 636.22	31/03/2020
Windhoek High Court Upgrading	104 356 000	55 314 340.59	19 120 000	18 627 368.60	73 941 709.19	31/03/2020
Construction of Houses	20 017 000	10 269 804.69	500 000	236 796.49	10 506 601.18	31/03/2020
Construction of Prosecutor-General Office	50 000 000	3 112 431.31	1 000 000	999 853.00	4 112 284.31	31/03/2020
Construction of Attorney-General Office	51 607 000	6 605 126.71	1 000 000	1 000 000.00	7 605 126.71	31/03/2020
Purchase of Schonlein Building	74 500 000	-	81 500 000	81 500 000.00	81 5000 000.00	31/03/2020
Construction of Mobile Courts	25 418 000	-	10 000 000	9 816 395.65	9 816 395.65	31/03/2020
Total	1 527 696 000	497 566 536.15	153 620 000	151 328 666.02	648 895 202.17	

2.2 Suspense accounts

The final ledger reflects six (6) suspense account balances at 31 March 2018, of which five (5) had debit balances and one (1) had a credit balance as follows:

Suspense Account	Balance as at 31 March 2018 Debit / (Credit)
	N\$
S&T advance suspense account	39 581.45
Rejection Account	23 834.26
Bills Payable	(171 238.94)
Social Security	39.10
Pension Funds: GIPF	10 197.44
Pension Funds: Political Office Bearers	2 273.98

2.3 Bank accounts

The Accounting Officer reported the following closing balances as at 31 March 2018:

Name of account	Financial Institution	Balance at 31/03/2018
Office of the Ombudsman	Nedbank	N\$ 7 281.00

2.4 Vehicles

2.4.1 Vehicle Accidents

The Accounting Officer reported sixteen (16) vehicle accidents for the financial year under review. Six (6) vehicles were repaired at a cost of N\$ 295 610.66.

2.4.2 Vehicles on hand

The Accounting Officer reported vehicles on hand for the year under review as follows:

Pool vehicles	Sedan	Pick-ups, Combies	Heavy vehicles	Trailers
Opening balance on 1 April 2017	23	26	1	3
Acquisition	-	-	-	-
Returned	-	-	-	-
Balance on 31 March 2018	23	26	1	3

2.5 Bursary and study assistance

The Accounting Officer reported that financial assistance amounting to N\$ 299 397.43 was granted to seventeen (17) employees during the year under review.

2.6 Wellness

The Accounting Officer reported that the Ministry spent N\$ 400 188.50 on Wellness activities during the financial year under review.

2.7 Points keeping stock and stocktaking

The Accounting Officer reported that stocktaking was conducted at its eight (8) stock control points for the year under review. Value of stock on hand, surpluses, deficiencies and obsolete and worn out items were reported as follows:

Stock point	Value of stores and equipment on hand	Surpluses	Deficiencies	Obsolete and worn-out
	N\$	N\$	N\$	N\$
Head Office: Central Administration	6 000 000	-	-	5 560
Master of the High Court	243 000 000	-	-	7 260
Legal Services	950 000	47 230	-	2 130
Community Court	170 000	-	-	3 150
Ombudsman	2 000 000	39 762	-	6 530
Legislative Drafting	479 950	13 400	-	66 550
Law Reform	1 000 000	-	16 390	-
Legal Aid	2 000 000	38 850	-	13 360
Total	255 599 950	139 242	16 390	104 540

2.8 Losses and damages

The Accounting Officer reported losses and damages amounting to N\$ 23 254.50.

2.9 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances amounting to N\$ 40 635.45 in respect of four (4) staff members.

WINDHOEK, 08 October 2018

ISSASKAR VK NDJOZE
ACCOUNTING OFFICER

