



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF JUSTICE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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 2020 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, JANUARY 2021

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

TABLE OF CONTENTS

| | |
|--|-----------|
| 1. SECTION A: FINANCIAL AUDIT | 1 |
| 1.1 UNQUALIFIED AUDIT OPINION | 1 |
| 1.2 BASIS FOR UNQUALIFIED AUDIT OPINION | 1 |
| 1.3 KEY AUDIT MATTERS | 1 |
| 1.4 EMPHASIS OF MATTERS | 1 |
| 1.4.1 STANDARD SUBDIVISIONS | 1 |
| 1.4.2 COMMUNITY COURTS | 2 |
| 1.4 OTHER INFORMATION | 2 |
| 2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION | 2 |
| 2.1 COMPLIANCE TO LAWS AND REGULATIONS | 2 |
| 2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE | 2 |
| 2.3 AUDIT OBJECTIVE | 2 |
| 2.4 AUDIT CRITERIA | 2 |
| 2.5 SUMMARY OF METHODS APPLIED | 3 |
| 2.6 KEY AUDIT FINDINGS | 3 |
| 2.6.1 UNAUTHORISED EXPENDITURE | 3 |
| 2.7 OPINION ON THE SUBJECT MATTER | 3 |
| 3. AUDIT OF PERFORMANCE INFORMATION | 3 |
| 3.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE | 3 |
| 3.2 AUDIT OBJECTIVE | 4 |
| 3.3 AUDIT CRITERIA | 4 |
| 3.4 SUMMARY OF METHODS APPLIED | 4 |
| 3.5 CONCLUSION ON THE SUBJECT MATTER | 4 |
| 4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS | 5 |
| 5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT | 5 |
| 6. GENERAL INFORMATION | 6 |
| 7. ACKNOWLEDGEMENT | 6 |
| 1. AUDITED FINANCIAL STATEMENTS | 7 |
| 1.1 APPROPRIATION ACCOUNT | 7 |
| 1.2 APPROPRIATION ACCOUNT (CONTINUED)..... | 8 |
| 1.2 STANDARD SUBDIVISIONS | 9 |
| 1.3 MINISTERIAL REVENUE | 10 |
| 1.4 NOTES TO THE FINANCIAL STATEMENTS..... | 10 |
| 1.4.1 Appropriation account: Explanations of variations exceeding 2 % between the authorised and actual expenditure..... | 10 |
| 1.4.2 Departmental revenue: Explanations of variations exceeding N\$ 200 000..... | 10 |
| 2. GENERAL INFORMATION | 11 |
| 2.1 BANK ACCOUNTS | 11 |
| 2.2 DEBT TO GOVERNMENT | 11 |
| 2.3 BURSARIES AND STUDY ASSISTANCE | 11 |
| 2.4 POINTS KEEPING STOCK AND STOCKTAKING | 11 |
| 2.5 LOSSES AND DAMAGES | 11 |
| 2.6 CAPITAL PROJECTS | 12 |
| 2.7 SUSPENSE ACCOUNTS | 12 |
| 2.8 VEHICLES | 13 |
| 2.8.1 VEHICLE ACCIDENTS | 13 |
| 2.8.2 VEHICLES ON HAND | 13 |

DEFINITIONS

| | |
|---|---|
| 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. |
| Appropriation act: | Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament. |
| 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. |
| Budget: | An estimation of the revenue and expenses over a specified future period of time specified. |
| 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. |
| GIPF: | Government Institution Pension Fund. |
| IFMS: | Integrated Financial Management System. |
| International Standards of Supreme Audit Institutions (ISSAI): | Professional standards and best practice guidelines for public sector auditors, officially authorized and endorsed by the International Organization of Supreme Audit Institutions (INTOSAI). |
| Key Performance Indicator (KPI): | A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives. |
| 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. |
| Miscellaneous revenue: | All revenue collected and not having a specified revenue code. |
| Performance information: | Measurement of an individual, group, organization, system or component which is collected, analysed and reported. (Includes Strategic plans, annual plans, performance agreements and personal development plans performance agreements and personal development plans) |
| 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. |
| Rejection account: | A suspense account reflecting names and balances of all persons/companies that owe money to the State. |
| S&T Advance Suspense Account: | A suspense account reflecting the outstanding subsistence and travel advances. |
| Standard sub-division: | Government Balance account, showing balances incurred on each account/activity. |
| Subsistence advance: | Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment. |

| | |
|----------------------------------|---|
| 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. |
| Suspension: | Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure). |
| Treasury: | Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue). |
| 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> |
| Unauthorised expenditure: | Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision. |
| Under expenditure: | Saving on the budget. |
| 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. |
| Vote: | Represents an Office/Ministry/Agency. |

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE MINISTRY OF JUSTICE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Ministry of Justice for the financial year ended 31 March 2020, 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 ended, and a summary of significant accounting policies.

In my opinion, the financial statements of the Ministry of Justice as at 31 March 2020 are prepared, in all material respects, in accordance with the State Finance Act, 1991(Act 31 of 1991).

1.2 BASIS FOR UNQUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards further described in the Auditor's Responsibilities for the Audit of 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. No key audit matter is reported for the year under review.

1.4 EMPHASIS OF MATTERS

Attention is drawn to the management on the following matter that relate to my responsibility in the audit of the financial statements, as disclosed by the Ministry of Justice in the financial statements. My opinion is not modified in respect of these matters:

1.4.1 Standard subdivisions

The standard subdivisions for the following codes are reflected twice under operational current expenditure in GL027 as follows:

| Account name | Code |
|------------------------|-------------|
| Travel and subsistence | 021 and 031 |
| Transport | 023 and 033 |

As per Treasury Instruction DL 0103, codes 031 and 033 (development expenditure on travel and subsistence and transport respectively) are to be reflected under development expenditure and codes operational expenditure codes 031 and 033, which are for politicians entertainment and refreshments are thus not accounted for in GL027.

It is recommended that the Accounting Officer should explain the duplication of the account codes and incorrect classification. Furthermore, the Accounting Officer should explain why the cost incurred on entertainment political, refreshments were reported as travel and subsistence (031) and Transport (033) respectively.

Management comment

The Accounting Officer indicated that the duplication of the accounts codes and incorrect classification was done by Ministry of Finance.

1.4.2 Community courts

The Accounting Officer did not report the bank accounts of the community courts as required by Circular D12/2018 of the Auditor-General.

It is recommended that the Accounting Officer should explain why these accounts are not reported for audit purposes.

Management comment

The Accounting Officer indicated that the Ministry did not open any bank account for community courts, however the Ministry will open the bank accounts during the 2021/2022 financial year.

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 or 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 have nothing to report in this regard.

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

I have audited the financial performance and the use of appropriated funds of the Ministry of Justice for the financial year ended 31 March 2020.

2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

The audit is aimed to determine whether the Ministry of Justice financial performance and use of its appropriated funds is in compliance with the Appropriation Act, 2019 (Act 2 of 2019), Appropriation Amendment Act, 2019 (Act 3 of 2019), State Finance Act, 1991 (Act 31 of 1991), and the Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations during the financial year 31 March 2020.

2.3 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 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. 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. The findings and recommendations are taken into consideration.

2.4 AUDIT CRITERIA

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

- Appropriation Act, 2019 (Act 2 of 2019);

- Appropriation Amendment Act, 2019 (Act 3 of 2019);
- 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 2020 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 Unauthorised expenditure

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

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, three (3) operational subdivisions were exceeded with a total amount of N\$ 105 016.53 which is unauthorised in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer should put measures in place to avoid over-spending and should ensure 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. It is further recommended, that the Accounting Officer should comply with Treasury Instructions DD 0103 which stipulates that *“Authorisation to incur expenditure shall be obtained from the Treasury in all cases where no authorisation exists as contemplated in Treasury Instruction DD 0101.”*

Management comment

The Accounting Officer indicated that the Ministry will adhere to Treasury Instruction DD103.

2.7 OPINION ON THE SUBJECT MATTER

In my opinion, the Ministry of Justice’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, Public Procurement Regulations, Appropriation Act, 2019 (Act 2 of 2019) and the Appropriation Amendment Act, 2019 (Act 3 of 2019).

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Ministry of Justice for the financial year ended 31 March 2020.

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 National Development Plans (NDP) and provide improvements in service delivery to the general public.

The scoping of the key performance indicators was performed by looking at the high-level statements, which are indicated in the Ministry Mandate, the Strategic Plan (2018/2019 - 2021/2022) and the Annual Plan for the financial year 2019/2020.

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 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. 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 was performed, by looking at the high-level statements, which are indicated in the Strategic Plan (2017- 2022) and the Annual Plan of the Ministry of Justice for the financial year 2019/2020. Key performance indicators were selected based on what would be significant to the intended users, their usefulness and reliability in assessing the Ministry's achievements in terms of its service performance objectives. The following key performance indicator was audited: "*Number of reports finalized for publication* from the Directorate of Law Reform.

3.5 CONCLUSION ON THE SUBJECT MATTER

The audit revealed a satisfactory outcome on the existence, timeliness, relevance and completeness criteria as all performance indicators were predetermined, quantifiable and thus the Ministry of Justice is commented on it.

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 the terms of the State Finance Act 31, 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) 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 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 (1) and Section 27 (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 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 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.
- It is also my responsibility to express a conclusion on whether the financial performance and the use of appropriated funds is, in all material respect in compliance with the Appropriation Act, 2019 (Act 2 of 2019), Appropriation Amendment Act, 2019 (Act 3 of 2019), State Finance Act, 1991 (Act 31 of 1991), and the 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 (ISSAs). 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

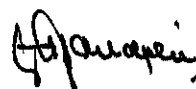
The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as *Annexure A*.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General in terms of the State Finance Act, 1991 (Act 31 of 1991).

7. ACKNOWLEDGEMENT

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

WINDHOEK, JANUARY 2021



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

| 2019/2020 | | | | | | 2018/2019 |
|-------------------------------------|------------------------|--------------------|--------------------------------|----------------|--------------------|----------------|
| Service | Authorized expenditure | Actual expenditure | Variations | | Actual expenditure | |
| | | | Under-expenditure/ (Excess) | Percent age | | |
| N\$ | N\$ | N\$ | N\$ | % | N\$ | |
| 01. Office of the Minister: | | | | | | |
| Original budget | 2 603 000 | | | | | |
| Plus: Virement | 180 000 | 2 783 000 | 2 589 357.23 | 193 642.77 | 6.96 | 3 832 709.27 |
| 02. Central Administration: | | | | | | |
| Original budget | 159 259 000 | | | | | |
| Additional budget | 2 900 000 | | | | | |
| Plus: Virement | 5 051 100 | 167 210 100 | 161 780 955.79 | 5 429 144.21 | 3.25 | 127 409 581.99 |
| 03. Law Reform: | | | | | | |
| Original budget | 11 715 000 | | | | | |
| Less: Virement | (618 300) | 11 096 700 | 10 900 491.82 | 196 208.18 | 1.77 | 9 815 998.95 |
| 04. Legislative Drafting: | | | | | | |
| Original budget | 21 263 000 | | | | | |
| Less: Virement | (3 312 000) | | | | | |
| Less: Suspension | (2 500 000) | 15 451 000 | 15 174 257.11 | 276 742.89 | 1.79 | 15 955 618.73 |
| 05. Office of the Ombudsman: | | | | | | |
| Original budget | 19 924 000 | | | | | |
| Less: Virement | (1 435 000) | 18 489 000 | 17 658 082.76 | 830 917.24 | 4.49 | 18 219 527.38 |

1.2 Appropriation account (continued)

| 2019/2020 | | | | | | 2018/2019 |
|----------------------------------|-------------|------------------------|-----------------------|-----------------------------|-------------|-----------------------|
| Service | N\$ | Authorized expenditure | Actual expenditure | Variations | | Actual expenditure |
| | | | | Under-expenditure/ (Excess) | Percentage | |
| | N\$ | N\$ | N\$ | N\$ | % | N\$ |
| 06. Legal Aid : | | | | | | |
| Original budget | 67 629 000 | | | | | |
| Plus: Virement | 2 448 193 | 70 077 193 | 69 250 181.37 | 827 011.63 | 1.18 | 58 236 077.36 |
| 07. Legal Service: | | | | | | |
| Original budget | 25 509 000 | | | | | |
| Less: Virement | (1 004 993) | | | | | |
| Less: Suspension | (1 354 000) | 23 150 007 | 23 093 230.56 | 56 776.44 | 0.25 | 14 273 830.35 |
| 08. Master of High Court: | | | | | | |
| Original budget | 19 050 000 | | | | | |
| Less: Virement | (1 309 000) | 17 741 000 | 17 559 282.95 | 181 717.05 | 1.02 | 15 843 778.50 |
| TOTAL: | | 325 998 000 | 318 005 839.59 | 7 992 160.41 | 2.45 | 263 587 122.53 |

ANNEXURE A (continued)

1.2 Standard Subdivisions

| Subdivision | 2019/2020 | | | 2018/2019 |
|---|------------------------|-----------------------|-----------------------------|-------------------------|
| | Authorised expenditure | Actual expenditure | Under-expenditure/ (Excess) | Actual expenditure |
| | N\$ | N\$ | N\$ | N\$ |
| Operational: | | | | |
| Current expenditure: Personnel | | | | |
| 001. Remuneration | 130 241 000 | 126 953 762.70 | 3 287 237.3 | 115 462 419.67 |
| 002. Employers contribution to the GIPF and M.P.O.O.B.P.F | 15 624 000 | 15 347 484.98 | 276 515.02 | 13 935 877.96 |
| 003. Other condition of service | 1 990 000 | 1 932 667.06 | 57 332.94 | 2 406 519.47 |
| 005. Employers contribution to the social security | 341 000 | 311 831.88 | 29 168.12 | 281 850.83 |
| Total | 148 196 000 | 144 545 746.62 | 3 650 253.38 | 132 086 667.93 |
| Current expenditure: Goods and other services | | | | |
| 021. Travel and subsistence expenses | 6 384 700 | 5 656 615.17 | 728 084.83 | 6 129 243.06 |
| 022. Materials and supplies | 3 203 750 | 3 197 616.11 | 6 133.89 | 2 609 817.52 |
| 023. Transport | 5 760 086 | 5 701 385.62 | 58 700.38 | 2 500 000.00 |
| 024. Utilities | 18 083 000 | 18 082 993.09 | 6.91 | 12 957 997.08 |
| 025. Maintenance expenses | 5 239 000 | 5 237 869.45 | 1 130.55 | 2 242 098.31 |
| 026. Property rental and related charges | 899 014 | 899 013.61 | 0.39 | 1 515 588.84 |
| 027. Other services and expenses | 38 170 193 | 38 139 111.14 | 31 081.86 | 36 924 678.92 |
| 029. Printing and advertisement | 2 373 000 | 2 353 923.71 | 19 076.29 | 3 073 636.56 |
| 031. Travel and subsistence expenses | 58 000 | 29 809.23 | 28 190.77 | 47 658.55 |
| 033. Transport | 10 000 | 2 298.50 | 7 701.50 | 7 796.52 |
| 040. Security contracts | 1 338 250 | 1 338 118.00 | 132.00 | 411 117.66 |
| Total | 81 518 993 | 80 638 753.63 | 880 239.37 | 68 419 633.02 |
| Current expenditure: Membership fees and subscriptions | | | | |
| 041. International | 56 007 | 38 826.28 | 17 180.72 | 683 575.98 |
| 042. Domestic | - | - | - | 144 563.42 |
| Total | 56 007 | 38 826.28 | 17 180.72 | 828 139.40 |
| Total: Operational expenditure | 229 771 000 | 225 223 326.53 | 4 547 673.47 | 201 334 440.35 |
| Development Capital expenditure | | | | |
| 101. Furniture and office equipment | 700 000 | 700 000.00 | - | 405 574.37 |
| 103. Operational equipment, machinery and plants | 500 000 | 500 000.00 | - | 549 508.25 |
| 104. Purchase of building | 3 000 000 | 274 381.70 | 2 725 618.30 | - |
| 105. Feasibility studies, design and supervision | 6 700 000 | 6 439 842.14 | 260 157.86 | 5 841 287.08 |
| 107. Construction, renovation and improvement | 85 327 000 | 84 868 289.22 | 458 710.78 | 55 456 312.48 |
| Total: Development expenditure | 96 227 000 | 92 782 513.06 | 3 444 486.94 | 62 252 682.18 |
| GRAND TOTAL | 325 998 000 | 318 005 839.59 | 7 992 160.41 | 263 7 122.53 |

1.3 Ministerial Revenue

Ministerial Revenue for the year is as follows:

| Revenue head | Estimate | Actual revenue 2019/2020 | More/(Less) than estimated | Actual revenue 2018/2019 |
|--------------------|------------------|--------------------------|----------------------------|--------------------------|
| | N\$ | N\$ | N\$ | N\$ |
| Unclaimed cheques | - | - | - | 7 746.00 |
| Miscellaneous | 1 500 000 | 144 265.88 | (1 355 734.12) | 248 777.00 |
| Legal fees | 50 000 | 1 020 838.60 | 970 838.60 | 4 480.00 |
| Bail | - | - | - | 75 000.00 |
| Government Gazette | 1 500 000 | 898 923.14 | (601 076.86) | 1 167 342.99 |
| Total | 3 050 000 | 2 064 027.62 | (985 972.38) | 1 503 345.99 |

1.4 NOTES TO THE FINANCIAL STATEMENTS

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

Underexpenditure

Main division 01 – Office of the Minister and Attorney General (N\$ 193 642.77 – 6.96%)

The underexpenditure was caused by less expenditure on salaries and GIPF due to the resignation of a Political Officer Bearer.

Main division 02 – Central Administration (N\$ 5 429 144.21 – 3.25%)

The underspending was caused by lesser expenditure on salaries and GIPF and delay in purchasing of houses for Legal Aid Council in the regions. However, these funds for salaries and GIPF could not be fully utilised at the end of the financial year because of a new directive contained in Circular No. 11 of 2017 from the Secretary to Cabinet which requires OMA's to obtain approval from Secretary to Cabinet to appoint staff which introduced bureaucratic delays in speeding up recruitment.

Main division 05 – Office of the Ombudsman (N\$ 830 917.24 – 4.49%)

The underexpenditure was caused by less expenditure on salaries and GIPF and less travelling as anticipated by the Ombudsman office, since the Chief Ombudsman was appointed as an acting judge of the High Court in June 2020.

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

(i) Overestimation

Miscellaneous revenue (N\$ 1 355 734.12)

Less ministerial debt was collected as anticipated and revenue is collected on overpayment on remuneration or conditions of services of any nature (i.e. salaries, bonuses, allowances, unpaid leave)

Government Gazette (N\$ 601 076.86)

Less collection of revenue on sale of gazette because the gazettes are available online.

(ii) Underestimation

Legal Fees (N\$ 970 838.60)

More legal aid application contribution were charged for representation of indigent person in court. Application fee is N\$ 350 00 per case.

2. GENERAL INFORMATION

2.1 Bank accounts

The Accounting Officer reported the following closing balance as at 31 March 2020:

| Name of account | Financial institution | Balance as at 31/03/2020 |
|-------------------------|-----------------------|--------------------------|
| Office of the Ombudsman | Nedbank | N\$ 5 318.84 |

2.2 Debt to Government

The Accounting Officer reported debt to Government amounting to N\$ 140 573.85, which was recovered in the 2020/2021 financial year.

2.3 Bursaries and study assistance

The Accounting Officer reported that eleven (11) staff members were provided with study assistance amounting to N\$ 97 963.50 during the year under review.

2.4 Points keeping stock and stocktaking

The Accounting Officer reported that stocktaking was conducted at nine (9) stock control points for the year under review. Values of stock on hand, surpluses, and 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 | 50 000 000 | - | - | 13 355 |
| Community Court | 150 000 | 350 | - | 100 |
| Legal Services | 200 000 | 3 000 | 1 840 | - |
| Ombudsman (Furniture) | 1 500 000 | 27 400 | - | 7 610 |
| Ombudsman (Library) | 300 000 | - | 15 900 | - |
| Legal Aid | 150 000 | 5 500 | - | - |
| Legislative Drafting (Library) | 100 000 | 21 999 | - | - |
| Law Reform | 250 000 | 34 190 | 100 | - |
| Master of High Court | 200 000 | 100 048 | - | - |
| Total | 52 850 000 | 192 487 | 17 840 | 21 065 |

2.5 Losses and damages

The Accounting Officer reported losses and damages amounting to N\$ 24 370.83.

2.6 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 31/03/2019 | Approved appropriation 2019/2020 | Actual expenditure 2019/2020 | Total expenditure as at 31/03/2020 | Expected year of completion |
|--|-----------------------|------------------------------------|----------------------------------|------------------------------|------------------------------------|-----------------------------|
| | N\$ | N\$ | N\$ | N\$ | N\$ | |
| Justitia Building Renovation and Upgrading | 46 848 000 | 58 933 587.87 | 500 000 | 4 358 007.06 | 63 291 594.93 | 31-Mar-20 |
| Lower Courts Renovations | 68 224 000 | 26 054 272.09 | 1 700 000 | 1 699 412.29 | 27 753 684.38 | 31-Mar-22 |
| Lower Courts Upgrading & Construction | 867 876 000 | 384 404 955.24 | 36 100 000 | 25 061 079.38 | 409 466 034.62 | 31-Mar-22 |
| Ombudsman Office Construction | 81 144 000 | 16 365 388.66 | 16 000 000 | 9 081 567.43 | 25 446 956.09 | 31-Mar-23 |
| Upgrading of High Court | 283 480 000 | 86 493 720.00 | 26 100 000 | 18 971 020.31 | 105 464 740.31 | 31-Mar-22 |
| Construction of Houses | 47 108 000 | 10 608 199.68 | 6 227 000 | 205 717.15 | 10 813 916.83 | 31-Mar-21 |
| Construction of Prosecutor General | 753 700 000 | 4 112 284.31 | 200 000 | 198 123.93 | 4 310 408.24 | 31-Mar-20 |
| Construction of Attorney-General Office | 740 716 000 | 7 605 126.71 | 200 000 | 105 032.38 | 7 710 159.09 | 31-Mar-20 |
| Construction of Mobile Courts | 132 484 000 | 15 956 713.57 | 12 000 000 | 28 947 538.37 | 44 904 251.94 | 31-Mar-22 |
| Renovation of Houses of Prosecutor General | 8531 000 | - | 4 200 000 | 3 880 633.06 | 3 880 633.06 | 31-Mar-21 |
| Purchased of Legal Aid Houses | 40 501 000 | - | 6 000 000 | 274 381.70 | 274 381.70 | 31-Mar-22 |
| Purchased of Ombudsman Building | 6 000 000 | - | 6 000 000 | - | - | 31-Mar-20 |
| Supreme Courts Renovation | 31 500 000 | 19 113 636.22 | - | - | 19 113 636.22 | 31-Mar-24 |
| Total | 3 115 709 000 | 629 647 884.35 | 115 227 000 | 92 782 513.06 | 722 430 397.41 | |

2.7 Suspense accounts

The final ledger shows eight (8) suspense accounts balances at 31 March 2020, of which three (3) had debit balances and five (5) had credit balances as follows:

| Suspense account | Balance as at 31 March 2020 Debit/(Credit) |
|-----------------------------------|--|
| | N\$ |
| Receipt suspense | (1 014 451.21) |
| S&T advance suspense account | 288 933.42 |
| Rejection account | (166 305.48) |
| Bills payable | (155 486.22) |
| Electronic fund transfer clearing | (32 735) |
| Social security | (122.90) |
| Tax code | 1 274.81 |
| Pension Funds: GIPF | 1 166.69 |

2.8 Vehicles

2.8.1 Vehicle Accidents

The Accounting Officer reported five (5) vehicle accidents for the financial year under review. Two (2) vehicles were repaired at cost of N\$ 5 363.10.

2.8.2 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 as per 1 st April 2019 | 23 | 25 | 1 | 2 |
| Acquisition | - | - | - | - |
| Returned | - | - | - | - |
| Balance on 31st March 2020 | 23 | 25 | 1 | 2 |

WINDHOEK, 15 October 2020

ISSASKAR VIRONGO KAVIZEMBUA NDJOZE
ACCOUNTING OFFICER

