



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

# CRIMINAL ASSETS RECOVERY FUND OF THE MINISTRY OF JUSTICE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021



**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 Criminal Assets Recovery Fund of the Ministry of Justice for the financial year ended 31 March 2021 in terms of Article 127(2) of the Namibian Constitution and the Prevention of Organised Crime Act, 2004 (Act 29 of 2004), Section 76 (9). 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 2022**

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



## Table of Contents

1.	<b>SECTION A: FINANCIAL AUDIT</b> .....	1
1.1	UNQUALIFIED AUDIT OPINION.....	1
1.2.	BASIS FOR UNQUALIFIED AUDIT OPINION .....	1
1.3	KEY AUDIT MATTERS .....	1
2.	<b>SECTION B: COMPLIANCE AUDIT</b> .....	1
2.1	<b>COMPLIANCE TO LAWS AND REGULATIONS</b> .....	1
2.2	<b>DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE</b> .....	1
2.3	<b>AUDIT OBJECTIVE</b> .....	2
2.4	<b>AUDIT CRITERIA</b> .....	2
2.5	<b>SUMMARY OF METHODS APPLIED</b> .....	2
2.6	<b>OPINION ON THE SUBJECT MATTER</b> .....	2
3.	RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS.....	2
4.	AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT .....	3
5.	<b>GENERAL INFORMATION</b> .....	4
6.	<b>ACKNOWLEDGEMENT</b> .....	4
	<b>ANNEXURE A</b> .....	5
1.	<b>AUDITED FINANCIAL STATEMENTS</b> .....	5



## DEFINITIONS

<b>Attestation engagement:</b>	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.
<b>Direct reporting engagement</b>	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.
<b>International Standards of Supreme Audit Institutions (ISSAI):</b>	Professional standards and best practice guidelines for public sector auditors, officially authorized and endorsed by the International Organization of Supreme Audit Institutions (INTOSAI).
<b>Limited Assurance</b>	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.
<b>Reasonable Assurance</b>	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.
<b>Treasury:</b>	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
<b>Types of Audit Opinions:</b>	<p><b>Unqualified Opinion.</b> 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><b>Qualified Opinion.</b> 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><b>Disclaimer Opinion.</b> 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><b>Adverse Opinion.</b> 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>
<b>Vote:</b>	Represents an Office/Ministry/Agency.





**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
CRIMINAL ASSETS RECOVERY FUND  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

---

**1. SECTION A: FINANCIAL AUDIT**

**1.1 UNQUALIFIED AUDIT OPINION**

I have audited the financial statements of the Criminal Assets Recovery Fund for the financial year ended 31 March 2021, provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Income Statement and Balance Sheet for the year then ended.

In my opinion, the financial statements of the Criminal Assets Recovery Fund as at 31 March 2021 are prepared, in all material respects, in accordance with the State Finance Act, 1991 (Act 31 of 1991), Treasury approval, (18 June 2012) and relevant legislation.

**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 are 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. I do not have anything to report in this regard.

**2. SECTION B: COMPLIANCE AUDIT**

**2.1 COMPLIANCE TO LAWS AND REGULATIONS**

**SUBJECT MATTER: FINANCIAL PERFORMANCE AND THE USE OF APPROPRIATED FUNDS**

I have audited the financial performance, collection and utilisation of funds of the Criminal Assets Recovery Fund for the financial year ended 31 March 2021.

**2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE**

The audit is aimed to determine whether the Criminal Assets Recovery Fund have collected and utilised the funds in compliance with the State Finance Act, 1991 (Act 31 of 1991), Prevention for Organised Crime Act, 2004 (Act 29 of 2004), Public Procurement Act, 2015 (Act 15 of 2015), Treasury approval (18 June 2012), Treasury Instructions and Public Procurement Regulations for the financial year ended 31 March 2021.

## **2.3 AUDIT OBJECTIVE**

The objective of this compliance audit is to verify and assess whether the Criminal Assets Recovery Fund has complied with all laws and regulations that have an impact on the financial statements of the Criminal Assets Recovery Fund in accordance with the ISSAIs. 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.

In addition, the objective of this audit is to verify and assess whether the Criminal Assets Recovery Fund have collected and utilised the funds in accordance, 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 derived the following regulations and laws stated below:

- State Finance Act, 1991 (Act 31 of 1991);
- Prevention for Organised Crime Act, 2004 (Act 29 of 2004)
- Public Procurement Act, 2015 (Act 15 of 2015);
- Treasury approval (18 June 2012);
- 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 2021 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

## **2.6 OPINION ON THE SUBJECT MATTER**

In my opinion, the financial performance, collection and utilisation of funds of the Criminal Assets Recovery Fund in all material respects, is in compliance with the State Finance Act, 1991 (Act 31 of 1991); Prevention for Organised Crime Act, 2004 (Act 29 of 2004); Treasury Instructions; Treasury approval (18 June 2012); Public Procurement Act, 2015 (Act 15 of 2015) and Public Procurement Regulations.

## **3. 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 Treasury approval dated 18 June 2012, section 74, 75 and 76 of the Prevention of Organized Crime Act, 2004 (Act 29 of 2004) and legislation, and for such internal control as management determines it 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 Prevention of Organised Crime Act, 2004 (Act 29 of 2004); State Finance Act, 1991 (Act 31 of 1991); and the Public Procurement Act, 2015 (Act 15 of 2015); Treasury approval (18 June 2012); Treasury Instructions and Public Procurement Regulations and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

#### **4. 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 report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance, collection and utilisation of funds of the Criminal Assets Recovery Fund of the Ministry of Justice in all material respect is in compliance with the State Finance Act, 1991(Act 31 of 1991); Prevention of Organized Crime Act, 2004 (Act 29 of 2004); the Public Procurement Act, 2015 (Act 15 of 2015); Treasury approval dated (18 June 2012); 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.

## 5. GENERAL INFORMATION

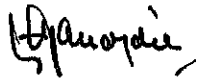
The financial statements provided by the Accounting Officer are attached as Annexure A.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 02 July 2021 in terms section 25 (1) of the State Finance Act, 1991 (Act 31 of 1991).

## 6. ACKNOWLEDGEMENT

The assistance and cooperation of the management and staff of the Ministry of Justice during the audit is appreciated.

WINDHOEK, MARCH 2022

  
**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Income statement (Notice account) for the year ended 31 March 2021

	Amount
	N\$
<b>Revenue</b>	
Income from Notice Account	35 738 133.87
<b>Total revenues</b>	<b>35 738 133.87</b>
<b>Expenses</b>	
Statement fees	1 216.00
Transfer to current account	1 811 023.04
<b>Total expenses</b>	<b>(1 812 239.04)</b>
<b>Income from continuing operations</b>	<b>33 925 894.83</b>
<b>Net income</b>	<b>33 925 894.83</b>

## 1.2 Income statement (Current account) for the year ended 31 March 2021

	Amount
	N\$
<b>Revenue</b>	
Income from Notice Account	4 246 962.94
Cash Deposit	3 500.00
Deposit	419 166.00
<b>Total revenue</b>	<b>4 669 628.94</b>
<b>Expenses</b>	
Daily subsistence allowance	11 440.00
Zebra trailers	1 015.90
MTC payment	39 004.05
Independence Business System	194 370.00
Bank charges	2 100.00
Service charges	2 618.55
<b>Total expenses</b>	<b>(250 548.50)</b>
<b>Income from continuing operations</b>	<b>4 419 080.44</b>
<b>Net Income</b>	<b>4 419 080.44</b>

**1.3 Balance sheet (Notice account) as at 31 March 2021**

	<b>Amount</b>
	N\$
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	33 925 894.83
Accounts receivable	-
Inventory	-
Prepaid expenses	-
Short-term Investments	-
<b>Total current assets</b>	<b>33 925 894.83</b>
<b>Total assets</b>	<b>33 925 894.83</b>
<b>LIABILITIES AND OWNER'S EQUITY</b>	
<b>Current liabilities</b>	
Account payables	-
Other	-
<b>Total Current liabilities</b>	-
<b>Long term liabilities</b>	
Long-term debt	-
Other	-
<b>Owner's equity</b>	
Net income	33 925 894.83
Other	-
<b>Total liabilities and Owner's Equity</b>	<b>33 925 894.83</b>

**1.4 Balance sheet (Current account) as at 31 March 2021**

	<b>Amount</b>
	N\$
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	4 419 080.44
Accounts receivable	-
Inventory	-
Prepaid expenses	-
Short-term Investments	-
<b>Total Current assets</b>	<b>4 419 080.44</b>
<b>Total assets</b>	<b>4 419 080.44</b>
<b>LIABILITIES AND AWNER'S EQUITY</b>	
<b>Current liabilities</b>	
Account Payables	-
Other	-
<b>Total Current liabilities</b>	-
<b>Long term Liabilities</b>	
Long-term debt	-
Other	-
<b>Owner's equity</b>	
Net income	4 419 080.44
<b>Total liabilities and owner's equity</b>	<b>4 419 080.44</b>

WINDHOEK, 02 JULY 2021

SIMATAA L. LIMBO  
ACCOUNTING OFFICER

