



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF FINANCE**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**



**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 Finance for the financial year ended 31 March 2022 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991(Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, MARCH 2023**

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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## DEFINITIONS

<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>Vote:</b>	Represents an Office/Ministry/Agency.
<b>Appropriation Act:</b>	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
<b>Appropriation Account:</b>	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.
<b>Standard sub-division:</b>	Government Balance account, showing balances incurred on each account/activity.
<b>Suspension:</b>	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
<b>Virement:</b>	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.
<b>Unauthorised Expenditure:</b>	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
<b>Underexpenditure:</b>	Saving on the budget.
<b>Miscellaneous Revenue:</b>	All revenue collected and not having a specified revenue code.
<b>Commitments:</b>	Funds reserved to acquire goods or services from a supplier.
<b>Suspense accounts:</b>	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.
<b>S&amp;T Advance Suspense Account:</b>	A suspense account reflecting the outstanding subsistence and travel advances.
<b>Rejection Account:</b>	A suspense account reflecting names and balances of all persons/companies that owe the money to the State.
<b>Budget:</b>	Is an estimation of the revenue and expenses over a specified future period of time.
<b>Subsistence Advance:</b>	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.

<b>Performance Information:</b>	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).
<b>Key performance indicator (KPI):</b>	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.
<b>International Standards of Supreme Audit Institutions (ISSAI):</b>	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
<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>Subject matter:</b>	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
<b>Materiality:</b>	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
<b>OMA:</b>	Office/Ministry/Agency
<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>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>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>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.



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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**1. SECTION A: FINANCIAL AUDIT**

**1.1 UNQUALIFIED AUDIT OPINION**

I have audited the financial statements of the Ministry of Finance for the financial year ended 31 March 2022, 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 year ended.

In my opinion the financial statements of the Ministry of Finance as at 31 March 2022 are prepared, in all material respects, in accordance with the terms of Article 127(2) of the Namibia Constitution and Section 25(1) of 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 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the 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 an unqualified 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 have determined that there were no key audit matters to communicate in my report.

**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 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. There was no other information in connection with my audit of the financial statements for the year under review.

## **2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION**

### **2.1 COMPLIANCE TO LAWS AND REGULATIONS**

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

I have audited the financial performance and the use of appropriated funds of the Ministry of Finance for the financial year ended 31 March 2022.

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

The audit aimed to determine whether the Ministry of Finance financial performance and the use of appropriated funds is in compliance, in all material respects, with the Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act 4 of 2021), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2022.

### **2.3 AUDIT OBJECTIVE**

The objective of this compliance audit is to verify and assess whether the Ministry of Finance has complied with all laws and regulations that have an impact on the financial statements 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. 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 public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

### **2.4 AUDIT CRITERIA**

The audit criteria used in the audit was derived from the following laws and regulations:

- Appropriation Act, 2021 (Act 1 of 2021);
- Appropriation Amendment Act, 2021 (Act 4 of 2021);
- 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 2022 submitted by the Accounting Officer, in order to determine whether this information complied with the laws and regulations that governs them. The audit team conducted interviews with management and those charged with governance and document reviews were also carried out.

## **2.6. KEY AUDIT FINDINGS**

### **2.6.1 Unauthorized expenditure**

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

Although Treasury authorization was obtained to utilize certain expected savings for the defrayal of expenditure by way of virements during the year, one (1) operational subdivision was exceeded by a total amount of N\$ 1 267.74 and one (1) development subdivision was exceeded with N\$ 2 470 702.55. These excesses are unauthorized in terms of Section 6(a)(iii) of the Act.

Although explanations were provided for the unauthorized expenditure, it is recommended that the Accounting Officer should ensure that control measures are strengthened to avoid unauthorized expenditure in future.

#### **Management comment**

The Accounting Officer takes note of the finding and indicated that control measures will be strengthened to avoid a repeat of such occurrence.

### **2.6.2 Underexpenditure**

The Ministry underspent on eleven (11) main divisions above the 2% threshold to the value of N\$ 66 692 680.13 on the total vote, which are funds that could have been used for other pressing needs in the country. Although explanations were provided for the variance as required by Circular D12/2018 of the Auditor-General, Treasury Instruction DC 0202 states that *"when drawing up draft estimates Accounting Officers and their Financial Advisors shall take note of and guard against that more funds than can reasonably be spent shall not be requested."*

It is recommended that the Accounting Officer should take note of Treasury Instruction DC 0202 and should ensure that it is adhered to all times.

#### **Management comment**

The Accounting Officer took note of the finding and will ensure that Treasury Instruction DC0202 is adhered to at all times.

## **2.7 UNQUALIFIED OPINION ON THE SUBJECT MATTER**

In my opinion, the Ministry of Finance'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 and Appropriation Act, 2021 (Act 1 of 2021) and Appropriation Amendment Act, 2021 (Act 4 of 2021).

## **3. AUDIT OF PERFORMANCE INFORMATION**

I have audited the performance information of the Ministry of Finance for the financial year ended 31 March 2022.

### **3.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE**

A Performance Management System (PMS) is a systematic process for achievement and improvement in obtaining results from an organization and its staff members by managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

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 public.

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 Finance and the 2017-2022 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.

### **3.2 AUDIT OBJECTIVE**

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, programs, and projects.

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

### **3.3 AUDIT CRITERIA**

In this audit, performance information was tested against the following criteria:

- Compliance with legislative requirements;
- Usefulness;
- Reliability;
- Timeliness;
- Existence;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- 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 Mandate of the Ministry of Finance 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 Directorates of Medical Aid and Budget Management and Control.

### **3.5 KEY AUDIT FINDINGS**

- a) The Key Performance Indicator (KPI), which is "Progress on the Finalization of Mid – Term Budget Review Bill" with hundred percent (100%) target, was fully achieved.
- a) The Key Performance Indicator (KPI), which is "Progress towards PSEMAS Overall Reform" with hundred percent (100%) target, only 80% was achieved. Furthermore, no explanation for the variance was provided.

### **3.6 CONCLUSION ON THE SUBJECT MATTER**

The Key Performance Indicators (KPI), Percentage (%) of Progress towards PSEMAS Overall Reform for the strategic objective "Enhance Organizational Performance" and Percentage (%) of Progress on the Finalization of Mid – Term Budget Review Bill for the strategic objective "Manage Public and Government Financial resources" under the Medical Aid and Budget Management and Control Division was tested against the above mentioned criteria.

The audit revealed satisfactory outcomes on all the criteria for the two (2) Key Performance indicators which were selected for audit and thus, the Ministry is to be complimented on that.

#### **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 and 13 of the State Finance Act, 1991 (Act 31 of 1991) and legislation, and for such internal controls 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.

The management is also responsible for ensuring adherence to the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Public Procurement Regulations, Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act 4 of 2021) and Treasury Instructions and ensure that effective and efficient internal controls are implemented to enable compliance to the laws and regulations that governs the performance information. Those charged with governance are responsible of overseeing the entity's financial reporting process.

#### **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 a 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 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 auditors' 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 an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act 4 of 2021), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

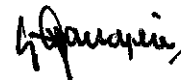
## **6. GENERAL INFORMATION**

The appropriation account was submitted timeously by the Accounting Officer to the Auditor-General on 12 August 2022 in terms of Section 13 of the State Finance Act, 1991 (Act 31 of 1991). The financial statements, notes to the financial statements and general information supplied by the Accounting Officer are attached as Annexure A.

## **7. ACKNOWLEDGEMENT**

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

**WINDHOEK, MARCH 2023**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2021/2022						2020/2021
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
<b>01. Office of the Minister:</b>						
Original budget	2 662 000.00					
Plus: Virement	500 000.00	3 162 000.00	2 707 351.74	454 648.26	14.38	2 646 891.96
<b>02. Administration:</b>						
Original budget	294 132 000.00					
Plus: Virement	92 235 000.00					
Less: Suspension	(10 000 000.00)	376 367 000.00	356 159 297.69	20 207 702.31	5.37	607 744 767.51
<b>03. Internal Audit:</b>						
Original budget	2 714 000.00	2 714 000.00	2 413 297.41	300 702.59	11.08	4 964 954.57
<b>04. Inland Revenue:</b>						
Original budget	252 646 000.00					
Less: Virement	(3 394 021.00)	249 251 979.00	233 106 945.89	16 145 033.11	6.48	238 315 351.01
<b>05. Economic Policy Advisory Services:</b>						
Original budget	13 565 000.00	13 565 000.00	10 965 884.67	2 599 115.33	19.16	10 109 672.81
<b>06. Customs and Excise:</b>						
Original budget	286 120 000.00					
Less: Virement	(38 705 979.00)	247 414 021.00	235 749 082.77	11 664 938.23	4.71	248 131 636.73
<b>07. Public Private Partnership Management:</b>						
Original budget	20 344 000.00	20 344 000.00	18 940 566.31	1 403 433.69	6.90	3 396 903.80
<b>08. Medical Aid Scheme:</b>						
Original budget	3 164 350 000.00					
Additional Budget	200 000 000.00					
Less: Virement	(47 955 101.00)	3 316 394 899.00	3 284 442 129.96	31 952 769.04	0.96	3 116 668 984.39

## ANNEXURE A (continued)

Appropriation account (continued)						2020/2021
2021/2022						Actual expenditure
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under- expenditure/ (Excess)	Perce n-tage		
N\$	N\$	N\$	N\$	%	N\$	
<b>09. Procurement</b>						
<b>Policy Unit:</b>						
Original budget	9 859 000.00					
Plus: Virement	300 000.00	10 159 000.00	8 750 598.70	1 408 401.30	13.86	7 070 098.74
<b>10. Budget Management and Control:</b>						
Original budget	320 439 000.00					
Additional budget	30 000 000.00					
Less: Virement	(50 000.00)	350 389 000.00	345 977 100.68	4 411 899.32	1.26	1 315 600 157.77
<b>11. Expenditure and Financial Management:</b>						
Original budget	33 375 000.00					
Plus: Virement	590 000.00	33 965 000.00	28 596 844.90	5 368 155.10	15.80	25 351 620.51
<b>12. Asset, Cash and Debt Management:</b>						
Original budget	200 612 000.00					
Less: Virement	(7 174 899.00)	193 437 101.00	190 902 694.36	2 534 406.64	1.31	207 171 448.87
<b>13. Information Technology:</b>						
Original budget	90 913 000.00					
Plus: Virement	3 595 000.00	94 508 000.00	88 401 742.44	6 106 257.56	6.46	71 056 795.84
<b>15. Government Internal Audit and Policy Coordination:</b>						
Original budget	5 252 000.00					
Plus: Virement	60 000.00	5 312 000.00	4 277 707.35	1 034 292.65	19.47	978 981.91
<b>GRAND TOTAL</b>		<b>4 916 983 000</b>	<b>4 811 391 244.87</b>	<b>105 591 755.13</b>	<b>2.15</b>	<b>5 859 208 266.42</b>

1.2 Standard subdivisions

ANNEXURE A (continued)

Subdivision	2021/2022			2020/2021
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	502 598 117	488 489 971.09	14 108 145.91	473 590 749.20
002. Employer's contribution to G.L.P.F	57 989 440	55 268 882.77	2 720 557.23	56 477 461.69
003. Other conditions of service	32 852 964	17 074 504.67	15 778 459.33	8 600 054.72
005. Employers contribution to social security	1 517 500	1 426 060.62	91 439.38	1 470 948.12
<b>Total</b>	<b>594 958 021</b>	<b>562 259 419.15</b>	<b>32 698 601.85</b>	<b>540 139 213.73</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence allowances	2 087 007	1 374 679.93	712 327.07	747 953.71
022. Materials and supplies	8 965 200	6 760 057.14	2 205 142.86	7 687 179.58
023. Transport	12 200 000	9 767 990.78	2 432 009.22	11 227 642.76
024. Utilities	67 910 000	63 622 726.02	4 287 273.98	76 115 287.00
025. Maintenance expenses	94 117 652	82 314 740.82	11 802 911.18	109 594 787.60
026. Property rental and related charges	15 010 000	11 783 714.17	3 226 285.83	16 944 279.09
027. Other services and expenses	51 815 993	44 229 415.21	7 586 577.79	37 120 497.05
<b>Total</b>	<b>252 105 852</b>	<b>219 853 324.07</b>	<b>32 252 527.93</b>	<b>259 437 626.79</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	19 736 101	13 877 353.97	5 858 747.03	14 537 371.01
<b>Total</b>	<b>19 736 101</b>	<b>13 877 353.97</b>	<b>5 858 747.03</b>	<b>14 537 371.01</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
043. Government organisations	4 043 740 899	4 009 736 973.80	34 003 925.20	4 316 322 336.94
044. Individuals and non-profit organisations	-	-	-	627 000 000.00
045. Public and departmental enterprises and private industries	-	-	-	100 000 000.00
<b>Total</b>	<b>4 043 740 899</b>	<b>4 009 736 973.80</b>	<b>34 003 925.20</b>	<b>5 043 322 336.94</b>
<b>Total: Current expenditure</b>	<b>4 910 540 873</b>	<b>4 805 727 070.99</b>	<b>104 813 802.01</b>	<b>5 857 436 548.47</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	2 193 904	1 425 240.00	768 664.00	-
<b>Total</b>	<b>2 193 904</b>	<b>1 425 240.00</b>	<b>768 664.00</b>	<b>-</b>
<b>Total: Operational expenditure</b>	<b>4 912 734 777</b>	<b>4 807 152 310.99</b>	<b>105 582 466.01</b>	<b>4 741 759 875.51</b>

## ANNEXURE A (continued)

## Standard subdivisions (continued)

Subdivision	2021/2022			2020/2021
	Authorized expenditure N\$	Actual expenditure N\$	Under-expenditure/ (Excess) N\$	Actual expenditure N\$
<b>Development:</b>				
<b>Capital expenditure: Acquisition of assets</b>				
107. Construction, renovation and improvement	519 009	519 008.53	0.47	79 052.90
117. Construction, renovation and improvement	3 729 214	3 719 925.55	9 288.45	1 692 665.05
<b>Total: Development expenditure</b>	<b>4 248 223</b>	<b>4 238 934.08</b>	<b>9 288.92</b>	<b>1 771 717.95</b>
<b>GRAND TOTAL</b>	<b>4 916 983 000</b>	<b>4 811 391 245.07</b>	<b>105 591 754.93</b>	<b>5 859 208 266.42</b>

## 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate N\$	Actual revenue 2021/2022 N\$	More/(Less) than estimated N\$	Actual revenue 2020/2021 N\$
Namfisa Board of Appeal Secretariat	-	5 000.00	5 000.00	1 000.00
Public Procurement Review Panel	-	250 001.00	250 001.00	110 000.00
Secretariat	-	587 299 456.77	178 713 391.77	36 411 389.70
Miscellaneous	408 586 065			
Members' contributions to Government		474 389 809.73	62 192 366.73	451 424 309.55
Employees Medical Aid Scheme	412 197 443	182 340.00	(462 289.00)	187 100.00
Sale of tender documents	644 629	628 970.00	(2 051 330.00)	1 814 270.30
Auction sales (Customs)	2 680 300	420 092.13	310 092.13	386 236.34
Warehouse rent (Customs)	110 000	142 020.00	142 020.00	292 100.00
Collateral losses	-	1 134 431.28	1 019 431.28	710 009.40
Special attendance	115 000	153 278 885.80	62 197 885.80	55 315 547.41
Environmental levy (Customs)	91 081 000	338 800 901.43	136 800 901.43	308 435 946.77
Export levy (Customs)	202 000 000	-	-	50 300.00
Additional Duty	-	160 253.28	150 053.28	285 600.00
Licence fees (Customs)	10 200	3 116 709.03	(5 819 290.97)	(456 126 920.38)
Provisional payments (Customs)	8 936 000			
<b>TOTAL</b>	<b>1 126 360 637</b>	<b>1 559 808 870.45</b>	<b>433 448 233.45</b>	<b>399 296 889.09</b>

**1.4 Notes to the financial statements**

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

**Underexpenditure**

**Main division 01 – Office of the Minister (N\$ 454 648.26 – 14.38%)**

The underexpenditure was attributed to positions, which were fully budgeted for however, they became vacant during the course of the financial year and due to the non-full utilization of certain benefits by Public Office Bearers (POB).

**Main division 02 - Administration (N\$ 20 207 702.31– 5.37%)**

The underexpenditure is attributed to positions, which were initially budgeted for, but not timely filled or in some instances not filled at all due to reprioritization of activities. All management positions in the Ministry of Finance are subject to vetting, as a result of filling certain management positions could not be finalized within the same financial year due to the vetting process which takes long and subsequent submission to the Public Service Commission for recommendation.

The underexpenditure on daily subsistence allowance was attributed to the fact that official trips planned could not be executed due to COVID-19 restrictions.

The underexpenditure on goods and services was due to the following only critical activities undertaken during the period under review leading to the cancellation of certain planned activities, cancellation of purchase orders due to non-performance, late submission of invoices by suppliers resulting in payments being effected in the following financial period, incomplete procurement process, the termination and or reduction of security personnel at various sites due to contract termination or acquisitions of alarm monitoring systems.

It should be noted that despite the above hindrances, the objectives for the financial year were fulfilled with minimum limitations.

**Main division 03 - Internal Audit (N\$ 300 702.59 – 11.08%)**

The underexpenditure is attributed to positions which were fully budgeted for, but only filled towards the middle or end of the 2021/2022 financial year under review. The objectives for the financial year were fulfilled without limitations.

**Main division 04 – Inland Revenue (N\$ 16 145 033.11 – 6.48%)**

The underexpenditure is attributed to the resignation of staff members who took up employment with the Namibia Revenue Agency (NamRA) as well as the retirement of staff members during the period under review.

## ANNEXURE A (continued)

The underexpenditure on goods and services was due to the following incomplete procurement process, the delay in submitting of invoices by suppliers and the process of certification resulted in some payments being deferred to the next financial year and reduction in the payment of speed points commission to banking institution due to usage of EFT by clients during locked down period. The objectives for the financial year were fulfilled without limitations.

### **Main division 05 – Economic Policy Advisory Services (EPAS) (N\$ 2 599 115.33 – 19.16%)**

The underexpenditure on personnel expenditure is attributed to vacancies which occurred during the course of the financial year, positions which were budgeted for were filled late during the financial year and non-expenditure on leave day's benefits.

The underexpenditure on goods and services is attributed to the fact that cost reduction exercise whereby some of the initial anticipated costs were deemed non critical. The objectives for the financial year were fulfilled without limitations.

### **Main division 06 – Customs and Excise (N\$ 11 664 938.23 – 4.71%)**

The underexpenditure on personnel expenditure under this main division was due to the resignation of staff members who took up employment with Namibia Revenue Agency (NAMRA) as well as retirement of staff members during the period under review.

The underexpenditure on goods and services is attributed due to the following some invoices for scanner maintenance could not be paid within the financial year under review due to further clarification that could not be finalized and thus, a large portion of the allocated funds could not be spend. Furthermore, budgetary provision for Ascydaworld consultant services that was budgeted could not be realized due to prolonged procurement procedures. In addition, there are invoices for Bank Windhoek that could not be settled due to clarity being sought to avoid duplication of payments. The objectives for the financial year were fulfilled with minimum limitations.

### **Main division 07 – Public Private Partnership Management (N\$ 1 403 433.69 – 6.90%)**

The underexpenditure under personnel expenditure is attributed to vacancies which occurred during the course of the financial year, late filling of positions and minimum expenditure on leave day's benefits.

The underexpenditure on goods and services is attributed due to non- payment to PPP Committee members in some instances due to pending administrative matters and payment deferred to next financial year. The objectives for the financial year were fulfilled without limitations.

### **Main division 09 – Procurement Policy Unit (N\$ 1 408 401.30 – 13.86%)**

The underexpenditure on personnel expenditure is attributed to positions which were fully budgeted for but could not be filled during the financial year as well as vacancies which occurred during the course of the financial year. The underexpenditure on goods and services is attributed to the fact that the cost of most trainings was absorbed by O/M/A's who requested the Ministry to provide training in the area of Public Procurement. The objectives for the financial year were fulfilled without limitations.

## ANNEXURE A (continued)

### **Main division 11 – Expenditure and Financial Management (NS 5 368 155.10 – 15.80%)**

The underexpenditure on goods and services was attributed to the over-estimate on international subscription fees payable during the period under review. The objectives for the financial year were fulfilled without limitations.

### **Main division 13 – Information Technology (NS 6 106 258.56 – 6.46%)**

The underexpenditure on personnel expenditure is attributed to vacant positions which occurred during the course of the financial year under review and a slight overestimation on some of the remuneration line items and reduction in the need to perform overtime work.

The underexpenditure on goods and services was due to the late submission of invoices by service providers resulting in deferring some payments to the following financial year. A slight overestimation towards the payment for some projects initiated during the financial year under review and lack of performance by suppliers. The objectives for the financial year were fulfilled without limitations.

### **Main division 15 – Government Internal Audit and Policy Coordination (NS 1 034 292.65 – 19.47%)**

The underexpenditure on personnel expenditure is attributed to positions which were fully budgeted for but could not be filled during the financial year as well as vacancies which occurred during the course of the financial year.

The underexpenditure on goods and services is attributed due to administrative challenges. The payment of the Audit Committee members was deferred to the next financial year. The objectives for the financial year were fulfilled without limitations.

## **1.4.2 Departmental revenue: Explanations of variances exceeding NS 200 000**

### **(i) Underestimated**

#### **Members' contribution to the Government employees medical aid scheme (NS 62 192 366.73)**

The difference in actual revenue was due to the ongoing verification of the Public Service Employee Medical Aid Scheme (PSEMAS) members which initial revealed non contribution by members, consequently, arrears were collected during the financial year under review.

#### **Warehouse rent (Customs) (NS 310 092.13)**

The difference in actual revenue was due to the fact that most traders did not come and collect their items from the warehouse and therefore additional rent was collected.

#### **Special attendance (NS 1 019 431.28)**

The difference in actual revenue may be as a result of Traders requested more calls on special attendance for inspections conducted at own premises and after hours' restriction of movement because of the COVID 19 pandemic.

**Export levy (Customs) (N\$ 136 800 901.43)**

The difference in actual revenue may be attributed to the increase in the export and or trading of commodities such as diamonds and fish during the period under review and a positive adjustment thereof during the financial year under review. The relaxation of COVID-19 restrictions also contributed to the high revenue attained during the period under review.

**Environmental levy (Customs) (N\$ 62 197 885.80)**

The difference in actual revenue may be attributed to penalties determined and paid by plastic packaging after an audit determined that the company was exporting plastic related items without paying the required levy.

**Miscellaneous revenue (N\$ 178 713 391.77)**

The variation is attributed to the crediting of the revenue head as a result of posting of previous financial year's transactions from various suspense accounts. Furthermore, the receipt of revenue for which designated revenue head does not exist.

**Public Procurement Review Panel Secretariat (N\$ 250 001.00)**

It is very much challenging to estimate this type of revenue without prior data being available; the Ministry experienced a huge number of cases registered with the Review Panel during the period under review hence the indicated revenue collected.

(ii) Over-estimated

**Auction sales (Customs) (N\$ 2 051 330.00)**

The decrease in revenue was due to the non-finalization of administrative and legal procedures to undertake auctions in order to dispose of forfeited items.

**Provisional payments (Customs) (N\$ 5 819 290.97)**

The decrease in revenue is associated to high level of refunds effected from this revenue head.



## **2. GENERAL INFORMATION**

### **2.1 Debt to Government**

The Accounting Officer reported debt to the Government amounting to N\$ 806 265.14 for the financial year under review.

### **2.2 Movable properties transferred within Government**

The Accounting Officer reported that the Ministry transferred movable assets to Namibia Revenue Agency (NAMRA) to the total value of N\$ 1 778 007 865.85 and liability at an estimated value of N\$ 67 081 828.00.

### **2.3 Revenue outstanding**

The Accounting Officer reported that the Ministry has estimated outstanding revenue of N\$ 45 736 673.24 from medical aid contributions.

### **2.4 Revenue written off**

The Accounting Officer reported revenue written off amounting to N\$ 9 960.00 during the year under.

### **2.5 Annual stocktaking**

The Accounting Officer reported the following stock values for the year under review:

<b>Item</b>	<b>Value</b>
	N\$
Stock on hand	3 205 460.00
Shortages/deficiencies	210 590.00
Obsolete/worn-out	344 370.00

### **2.6 Wellness**

The Accounting Officer reported wellness expenditure for the activities carried out during the year under review to the value of N\$ 112 193.28.

### **2.7 Outstanding commitments**

The Accounting Officer reported outstanding commitments during the year under review amounting to N\$ 3 164 340.24.

### **2.8 Bursary and study assistance**

The Accounting Officer reported study assistance to the value of N\$ 90 073.50 for the year under review.

### **2.9 Compensation payments**

The Accounting Officer reported compensation payments amounting N\$ 70 987.91 for the year under review.

## 2.10 Exemptions from procurement procedures

The Accounting Officer reported an exemption from procurement procedures for advertising services for the renewal of oracle licenses for the Integrated Financial Management System and for procuring corsages for budget presentation which amounted to N\$ 28 538 007.88 for the financial year under review.

## 2.11 Suspense accounts

The final ledger shows seventeen (17) suspense accounts with balances at the end of the financial year of which ten (10) had credit balances and seven (7) with debit balances as follows:

Suspense account	Balance as at 31 March 2022 Debit/(Credit)
	N\$
Receipt suspense	(481 584)
Receipt suspense (Customs)	(4 433 966.82)
Receipt suspense (IRD)	(1 330 002 235.48)
Petty cash	3 550.00
RD cheques	43 852.04
RD suspense (Customs)	78 504.46
RD suspense (IRD)	(1 640.00)
S&T advance suspense account	1 818 757.01
Rejection account	1 158 089.24
Bills payable	(1 197 073.34)
Electronic fund transfer clearing account (EFT)	(928 622.98)
Electronic fund transfer clearing account (EFT- IRD)	(1 759 271.49)
Social security	(1 220.30)
Salary interface control account	357 161 603.19
Pension Fund: GIPF	2 147.52
Debt establishment	(141.38)
Electronic banking	(242 537 041.83)

**ANNEXURE A (continued)**

**2.12 Capital projects**

The Accounting Officer reported development projects for the year under review as follows:

Nature of project	Approved total budget	Total expenditure as at 31/03/2021	Approved appropriation 2021/2022	Actual expenditure 2021/2022	Total expenditure as at 31/03/2022	Expected year of completion
Trans Kalahari Border Post Housing Construction of Noordoewer Border Post Administrative Facility	33 932 000	16 905 268.76	1 499 000	-	16 905 286.76	31-March-2024
Construction of staff accommodation at Omahenene border post	6 396 000	730 004.58	519 009	519 008.53	1 249 013.11	31-March-2021
Nationwide renovation of MOF facilities	68 321 000 26 763 000	25 458 948.63 18 640 914.35	1 249 223 1 500 000	3 719 925.55 -	29 178 874.18 18 640 914.35	31-March-2017 31-March-2024
	<b>135 412 000</b>	<b>61 735 136.32</b>	<b>4 767 232</b>	<b>4 238 934.08</b>	<b>65 974 070.40</b>	

**2.13 Internal inspections**

The Accounting Officer reported that one (1) internal inspection was carried out during the year under review and it was found to be satisfactory.

**2.14 Vehicles: Own fleet**

The Accounting Officer reported forty-six (46) vehicles on hand with a total value of N\$ 3 661 800 as at 31 March 2022.

**WINDHOEK, 2022-08-30**

**MR. TITUS NDOVE  
ACCOUNTING OFFICER**

