



**REPUBLIC OF NAMIBIA**



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

**MINISTRY OF FINANCE**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

Published by authority

Price (Vat excluded) N\$ 42.00  
Report no: 39/2024



**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 2023 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 2024**

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

Handwritten scribble or signature

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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>Under-expenditure:</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>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  
MINISTRY OF FINANCE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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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 2023, 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 2023 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 audit 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 2023.

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

The audit aimed to determine whether the Ministry of Finance's financial performance and the use of appropriated funds is in compliance, in all material respects, with the Appropriation Act, 2022 (Act 2 of 2022), Appropriation Amendment Act, 2022 (Act 7 of 2022), 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 2023.

### **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, 2022 (Act 2 of 2022);
- Appropriation Amendment Act, 2022 (Act 7 of 2022);
- 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 2023 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. BASIS FOR UNQUALIFIED AUDIT OPINION**

### **2.6.1 Under expenditure**

The Ministry's total budget was underspent with N\$ 92 790 504.86. These funds could have been used for other pressing needs in the country. Although explanations were provided for the variance as required by Circular D12/2023 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 compliance with Treasury Instruction DC0202.

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

In my opinion, the Ministry of Finance financial's 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, 2022 (Act 2 of 2022) and Appropriation Amendment Act, 2022 (Act 7 of 2022).

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

I have audited the performance information of the Ministry of Finance for the financial year ended 31 March 2023.

### **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 Public Enterprises 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 Public Enterprises 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 Internal Audit.

### **3.5 KEY AUDIT FINDINGS**

a) The Key Performance Indicator (KPI) which is "Percentage (%) of progress towards implementation of Forensic & Compliance Audit on the Administrator" with hundred percent (100%) target, only 80% was achieved. Furthermore, no explanations for the variance was provided.

b) The Key Performance Indicator (KPI), which is "Percentage (%) on Annual risk assessment conducted" with hundred percent (100%) target, was fully achieved.

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

The Key Performance Indicators (KPI), Percentage (%) of progress towards implementation of Forensic & Compliance Audit on the Administrator and Percentage (%) on Annual risk assessment conducted—for the strategic objective “Enhance Organizational Performance “under the Medical Aid and Internal Audit was tested against the above mentioned criteria.

Except for one (1) KPI that was not fully achieved, 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, 2022 (Act 1 of 2022) and Appropriation Amendment Act, 2022 (Act 7 of 2022) 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.
- 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 and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2022 (Act 1 of 2022), Appropriation Amendment Act, 2022 (Act 7 of 2022), 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.



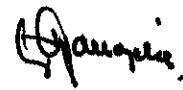
**6. GENERAL INFORMATION**

The appropriation account was submitted timeously by the Accounting Officer to the Auditor-General on 23 August 2023 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 cooperation of the management and staff of the Ministry of Finance during the audit is appreciated.

**WINDHOEK, MARCH 2024**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2022/2023					2021/2022	
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	3 163 000					
Plus: Virement	1 452 397	4 615 397	3 363 330.95	1 252 066.05	27.13	2 707 351.74
<b>02. Administration:</b>						
Original budget	562 700 000					
Plus: Virement	102 200 000	664 900 000	659 949 701.35	4 950 298.65	0.74	356 159 297.69
<b>03. Internal Audit:</b>						
Original budget	3 396 000					
Plus: Virement	213 677	3 609 677	2 924 792.38	684 884.62	18.97	2 413 297.41
<b>04. State Revenue:</b>						
Original budget	232 490 000					
Less: Virement	(45 694 049)	186 795 951	179 322 117.44	7 473 833.56	4.00	233 106 945.89
<b>05. Economic Policy Advisory Services:</b>						
Original budget	20 335 000					
Less: Virement	(7 014 221)	13 320 779	9 710 790.34	3 609 988.66	27.10	10 965 884.67
<b>06. Customs and Excise:</b>						
Original budget	263 104 000					
Less: Virement	(38 366 414)					
Less: Suspension	(1 500 000)	223 237 586	188 840 885.83	34 396 700.17	15.41	235 749 082.77
<b>07. Public Private Partnership Management:</b>						
Original budget	45 864 000					
Less: Virement	(957 840)	44 906 160	43 064 316.59	1 841 843.41	4.10	18 940 566.31

1.1 Appropriation account (continued)

ANNEXURE A (continued)

2022/2023						2021/2022
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent age		
N\$	N\$	N\$	N\$	%	N\$	
<b>08. Medical Aid Scheme:</b>						
Original budget	3 398 016 000					
Less: Virement	(285 314 764)					
Less: Suspensions	(12 155 000)	3 100 546 236	3 096 475 564.80	4 070 671.20	0.13	3 284 442 129.96
<b>09. Procurement Policy Unit:</b>						
Original budget	9 865 000					
Less: Virement	(30 000)	9 835 000	8 707 219.09	1 127 780.91	11.47	8 750 598.70
<b>10. Budget Management and Control:</b>						
Original budget	303 644 000					
Add: Virement	58 192 000	361 836 000	339 469 243.57	22 366 756.43	6.18	345 977 100.68
<b>11 Expenditure and Financial Management:</b>						
Original budget	33 942 000					
Less: Virement	(1 858 493)	32 083 507	31 023 265.93	1 060 241.07	3.30	28 596 844.90
<b>12. Asset, Cash and Debt Management:</b>						
Original budget	248 386 000					
Plus: Virement	234 310 096	482 696 096	480 558 588.54	2 137 507.46	0.44	190 902 694.36
<b>13. Information Technology:</b>						
Original budget	76 434 000					
Less: Virement	(16 507 805)	59 926 195	54 091 310.51	5 834 884.49	9.74	88 401 742.44
<b>15. Government Internal Audit and Policy Coordination:</b>						
Original budget	6 936 000					
Less: Virement	(624 584)	6 311 416	4 328 367.82	1 983 048.18	31.42	4 277 707.35
<b>GRAND TOTAL</b>		<b>5 194 620 000</b>	<b>5 101 829 495.14</b>	<b>92 790 504.86</b>	<b>1.79</b>	<b>4 811 391 245.07</b>

**ANNEXURE A (continued)**

**1.2 Standard subdivisions**

Subdivision	2022/2023			2021/2022
	Authorized expenditure N\$	Actual expenditure N\$	Under-expenditure/ (Excess) N\$	Actual expenditure N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	419 332 739	385 286 896.54	34 045 842.46	488 489 971.09
002. Employer's contribution to G.I.P.F	50 389 102	42 989 768.13	7 399 333.87	55 268 882.77
003. Other conditions of service	88 264 600	67 458 918.26	20 805 681.74	17 074 504.67
005. Employers contribution to social security	1 483 000	1 054 862.09	428 137.91	1 426 060.62
<b>Total</b>	<b>559 469 441</b>	<b>496 790 445.02</b>	<b>62 678 995.98</b>	<b>562 259 419.15</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence allowances	5 625 897	3 103 272.47	2 522 624.53	1 374 679.93
022. Materials and supplies	4 000 000	2 698 448.90	1 301 551.10	6 760 057.14
023. Transport	4 500 000	3 920 296.57	579 703.43	9 767 990.78
024. Utilities	11 650 000	11 137 075.74	512 924.26	63 622 726.02
025. Maintenance expenses	47 060 721	44 522 566.57	2 538 154.43	82 314 740.82
026. Property rental and related charges	1 200 000	1 192 761.89	7 238.11	11 783 714.17
027. Other services and expenses	12 041 263	10 862 019.76	1 179 243.24	44 229 415.21
<b>Total</b>	<b>86 077 881</b>	<b>77 436 441.90</b>	<b>8 641 439.10</b>	<b>219 853 324.07</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	69 470 899	69 130 931.74	339 967.26	13 877 353.97
<b>Total</b>	<b>69 470 899</b>	<b>69 130 931.74</b>	<b>339 967.26</b>	<b>13 877 353.97</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
043. Government organisations	4 173 144 119	4 152 325 066.13	20 819 052.87	4 009 736 973.80
045. Public and departmental enterprises and Private industries	305 107 660	304 875 500.00	232 160.00	-
<b>Total</b>	<b>4 478 251 779</b>	<b>4 457 200 566.13</b>	<b>21 051 212.87</b>	<b>4 009 736 973.80</b>
<b>Total: Current expenditure</b>	<b>5 193 270 000</b>	<b>5 100 558 384.79</b>	<b>92 711 615.21</b>	<b>4 805 727 070.99</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	1 350 000	1 271 110.35	78 889.65	1 425 240.00
<b>Total</b>	<b>1 350 000</b>	<b>1 271 110.35</b>	<b>78 889.65</b>	<b>1 425 240.00</b>
<b>Total: Operational expenditure</b>	<b>5 194 620 000</b>	<b>5 101 829 495.14</b>	<b>92 790 504.86</b>	<b>4 807 152 310.99</b>
<b>Development:</b>				
<b>Capital expenditure: Acquisition of assets</b>				
107. Construction, renovation and improvement	-	-	-	519 008.53
117. Construction, renovation and improvement	-	-	-	3 719 925.55
<b>Total: Development expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 238 934.08</b>
<b>GRAND TOTAL</b>	<b>5 194 620 000</b>	<b>5 101 829 495.14</b>	<b>92 790 504.86</b>	<b>4 811 391 245.07</b>

## ANNEXURE A (continued)

## 1.3 Departmental revenue

Revenue for the financial year is as follows:

Revenue head	Estimate	Actual revenue 2022/2023	More/(Less) than estimated	Actual revenue 2021/2022
	N\$	N\$	N\$	N\$
Namfisa Board of Appeal Secretariat	-	4 000.00	4 000.00	5 000.00
Public Procurement Review Panel				
Secretariat	375 000	416 000.00	41 000.00	250 001.00
Miscellaneous	9 250 000	127 959 335.59	118 709 335.59	587 299 456.77
Members' contributions to Government				
Employees Medical Aid Scheme	420 441 392	485 969 473.29	65 528 081.29	474 389 809.73
Sale of tender documents	154 000	84 020.00	(69 980.00)	182 340.00
Auction sales (Customs)	500 000	-	(500 000.00)	628 970.00
Warehouse rent (Customs)	185 200	269 914.39	84 714.39	420 092.13
Collateral losses	150 000	820 745.40	670 745.40	142 020.00
Special attendance	660 000	800 205.00	140 205.00	1 134 431.28
Environmental levy (Customs)	155 000 000	98 475 341.87	(56 524 658.13)	153 278 885.80
Export levy (Customs)	210 500 000	470 869 364.08	260 369 364.08	338 800 901.43
Additional Duty	-	250.50	250.50	-
Licence fees (Customs)	11 800	31 450.00	19 650.00	160 253.28
Provisional payments (Customs)	4 600 000	5 558 713.10	958 713.10	3 116 709.03
Fishing Quota Auction	350 000 000	-	(350 000 000.00)	-
<b>TOTAL</b>	<b>1 151 827 392</b>	<b>1 191 258 813.22</b>	<b>39 431 421.22</b>	<b>1 559 808 870.45</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\$ 1 252 066.05 – 27.13%)**

The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied, further due to the non-full utilization of certain benefits by Public Office Bearers (POB). The objectives for the financial year were fulfilled without limitation.

**Main division 03 - Internal Audit (N\$ 684 884.62– 18.97%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied. The objectives for the financial year were fulfilled without limitations.

**Main division 04 – Inland Revenue (N\$ 7 473 833.56 – 4%)**

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. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied.

**Main division 05 – Economic Policy Advisory Services (EPAS) (N\$ 3 609 988.66– 27.10%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied and the non-payment of subsidy after conducting of cash flow analysis. The objectives for the financial year were fulfilled with minimum limitations.

**Main division 06 – Customs and Excise (N\$ 34 396 700.17 – 15.41%)**

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. The objectives for the financial year were fulfilled with minimum limitations.

**Main division 07 – Public Private Partnership Management (N\$1 841 843.41– 4.10%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied, financial support from technical partners as well as non-full utilization of the allocation made to the governance structure. The objectives for the financial year were fulfilled with minimum limitations.

**Main division 09 – Procurement Policy Unit (PPU) (N\$ 1 127 780.91 – 11.47%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The objectives for the financial year were fulfilled without limitations.

**Main division 10 – Budget Management & Control (N\$ 22 366 756.43 – 6.18%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied. The objectives for the financial year were fulfilled without limitations.

**Main division 11 – Expenditure and Financial Management (N\$ 1 060 241.07– 3.30%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied as well as a slight decrease in the actual amounts paid to continental and international subscriptions. The objectives for the financial year were fulfilled without limitations.

**Main division 13 – Information Technology (N\$ 5 834 884.49 – 9.74%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied as well as the non-delivery or late delivery of services by service providers which resulted in non-payment. The objectives for the financial year were fulfilled without limitations.

**Main division 15 – Government Internal Audit and Policy Coordination (N\$ 1 983 048.18 – 31.42%)**

The underexpenditure is attributed to positions which were fully budgeted for, but could not be filled due to a moratorium on the filling of vacant positions during the 2022/2023 financial year. The underexpenditure was attributed to the non- utilization of the full DSA allocation as a result of cost saving measures applied. The objectives for the financial year were fulfilled without limitations.

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

**(i) Underestimated**

**Members' contribution to the Government employees medical aid scheme (N\$ 65 528 081.29)**

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 determined and collected during the financial year under review.

**Collateral Losses (N\$ 670 745.40)**

The variance may be attributed to an increase demand in the payment of collateral redemption by the Pension Fund to the State for onwards payment to either the commercial banks or former staff members.

**Export levy (Customs) (N\$ 260 369 364.08)**

During the estimation of revenue, most industries were not economically promising and it was not viable to expect more trades. However, there has been quite a significant increase in the demand of items that attracts export levy such as diamonds and fish industries. Some items such as diamonds are high value and attracts high amount of export levy resulting in high revenue collection.

**Provisional payments (Customs) (N\$ 958 713.10)**

This revenue is collected from temporary and in transit importation items/goods and is due for refund upon proof of exportation. The revenue estimation was under estimated due to poor performing industries due to covid-19 pandemic that time and less trade was anticipated. However, trade picked up and more revenue from temporary import of equipment, vehicles and transit goods exceeded the estimated amount.

**Miscellaneous revenue (N118 709 335.59)**

The variation may be attributed to the inadvertently allocation of revenue generated from the sale of Government objective fishing quotas to the Miscellaneous Revenue Head as the revenue head was only created during the course of the 2022/2023 financial year. Furthermore, it may be attributed to the crediting of the revenue head as a result of posting of previous financial year's transactions from various suspense account, moreover, the receipt of revenue for which a designed revenue head does not exist.



**(ii) Over-estimated**

**Auction sales (Customs) N\$ 500 000**

This revenue collection is collected from auction of items that are forfeited to the state by customs & excise (NAMRA). No auction took place due to unfinalized legal proceedings related to the items that have been seized. Hence, no revenue was collected.

**Environmental levy (Customs) N\$ 56 524 658.13**

This is the revenue that is charged on some items such as vehicles, tyres, plastic materials, bulbs, etc. The demand for these items has been below more than it was expected especially due to the full operation of all point of entries as Covid-19 pandemic decreased worldwide. Hence, the variance.

**Fishing quotas auction (N\$ 350 000 000.00)**

Revenue head operationalised during the 2022/2023 financial year and all proceeds which emanated from the auction of fishing quotas were accounted for under the miscellaneous revenue.

## 2. GENERAL INFORMATION

### 2.1 Revenue written off

The Accounting Officer reported an amount of N\$ 10 590 797 789.00 written off for the financial year under review.

### 2.2 Annual stocktaking

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

Item	Value
	N\$
Stock on hand	1 437 635
Shortages/deficiencies	3 595

### 2.3 Outstanding commitments

The Accounting Officer reported outstanding commitments for the financial year under review amounting to the value of N\$ 10 074 639.93.

### 2.4 Suspense accounts

The final ledger shows seventeen (17) suspense accounts with balances at the end of the financial year of which ten (9) had credit balances and seven (8) with debit balances as follows:

Suspense account	Balance as at 31 March 2023 Debit/(Credit)
	N\$
Receipt suspense	(150 306.28)
Receipt suspense (Customs)	3 946 846.71
Receipt suspense (IRD)	(2 251 832 638.52)
Petty cash	3 550.00
RD cheques	43 593.04
RD suspense (Customs)	78 504.46
RD suspense (IRD)	(1 640.00)
S&T advance suspense account	1 884 970.05
Rejection account	1 018 393.01
Bills payable	(841 048.93)
Electronic fund transfer clearing account (EFT)	(127 363.62)
Electronic fund transfer clearing account (EFT- IRD)	(51 469 242.35)
Social security	(1 058.30)
Salary interface control account	(13 025.43)
Pension Fund: GIPF	1 907.82
Debt establishment	(141.38)
Electronic banking	121 993 316.41