



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF MINES AND ENERGY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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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 Mines and Energy for the financial year ended 31 March 2024 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, FEBRUARY 2025

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

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

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DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
Virement:	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Underexpenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Commitments:	Funds reserved to acquire goods or services from a supplier.
Suspense accounts:	Is an account opened in the books of Government that records movement of transactions of a temporarily nature, for example salary deductions of housing instalments.
S&T Advance Suspense Account:	A suspense account reflecting the outstanding subsistence and travel advances.
Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe the money to the State.

Budget:	Is an estimation of the revenue and expenses over a specified future period of time.
Subsistence Advance:	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.
Performance Information:	Measurement of an individual, group, organization, system or component which is collected, analysed and reported. (Includes Strategic plans, annual plans, performance agreements and personal development plans).
Key performance indicator (KPI):	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.
International Standards of Supreme Audit Institutions (ISSAI):	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
O/M/A:	Office/Ministry/Agency
Types of Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p>Disclaimer Opinion. Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.</p> <p>Adverse Opinion. The Financial statements of an O/M/A's do not fairly present its actual financial position and the required information was either not disclosed, or (if disclosed) was inadequately disclosed or was inaccurate.</p>

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE MINISTRY OF MINES AND ENERGY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of Ministry of Mines and Energy for the financial year ended 31 March 2024 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 then ended.

In my opinion, the financial statements of the Ministry of Mines and Energy as at 31 March 2024 are prepared, in all material respect in accordance with Section 12 and 13 of the State Finance Act, 1991 (Act 31 of 1991) and relevant legislation.

1.2 BASIS FOR UNQUALIFIED AUDIT OPINION

I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the audit 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 the 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 the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the audit opinion thereon and I do not provide a separate audit opinion on these matters. I have nothing to report in this regard.

1.4 OTHER INFORMATION

The Management is responsible for the other information. My audit opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with the 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 knowledge obtained in the audit or otherwise appears to be materially misstated.

2. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Ministry of Mines and Energy for the financial year ended 31 March 2024.

2.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

A Performance Management System (PMS) is as 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 were performed by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Mines and Energy and the duration of the 2017 - 2022 Strategic Plan. Key performance indicators 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 audit was performed on the KPIs of the projects for the strategic objectives listed below:

Strategic objective	Project	Key performance indicator(s)	Target	Actual
Improve energy infrastructure to ensure security of supply, accessibility and affordability	Electricity access	# of peri-urban households electrified.	600	698

2.2 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.

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

2.3 AUDIT CRITERIA

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

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

2.4 SUMMARY OF METHODS APPLIED

The auditor reviewed the annual plan and the directorate quarterly reviews to confirm whether the Strategic Plan objectives targets and key performance indicators (KPIs) have been correctly cascaded to the Annual Plan and the selected key performance indicators (KPIs) for the year under review are reported in the Directorate/Divisions quarterly reports and Annual Plan Review Report.

Furthermore, the auditor conducted interviews and reviewed documents to obtain information that pertains to the selected key performance indicators (KPIs).

2.5 CONCLUSION ON THE SUBJECT MATTER

The audit revealed a satisfactory outcome regarding the sub-criteria's of relevance, accuracy and completeness.

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 Section 12 and 13 of the State Finance Act 1991 (Act 31 of 1991) and legislation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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 Appropriation Act 2022 (Act 2 of 2021) Appropriation Amendment Act, 2022 (Act 7 of 2022), State Finance Act, 31 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), 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

My objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue a 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 skepticism throughout the audit I also;

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion forgery intentional omissions misrepresentations or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies uses 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.

5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accounts were timeously submitted by the Accounting Officer in terms of Section 13 of the State Finance Act 1991.

5.1 Unauthorized expenditure

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

Although Treasury approval was obtained to utilise expected savings for the defrayal of excess expenditure by way of virements during the year, two (2) operational subdivisions were exceeded with N\$ 227 554.01. This excess is unauthorised in terms of section 6(a) (iii) of the Act.

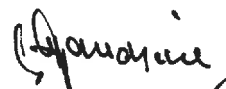
6. GENERAL INFORMATION

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

7. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Ministry of Mines and Energy is highly appreciated.

WINDHOEK, FEBRUARY 2025



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2023/2024						2022/2023
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under- expenditure/ (Excess)	Percent -tage	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	3 973 000					
Plus: Virement	940 159	4 913 159	4 371 524.27	541 634.73	11.02	3 883 814.59
02. Administration:						
Original budget	56 510 000					
Plus: Virement	26 468 717	82 978 717	78 849 115.21	4 129 601.79	4.98	59 454 218.24
03. Mining:						
Original budget	23 385 000					
Less: Virement	(2 159 931)	21 225 069	19 507 122.31	1 717 946.69	8.09	25 129 831.61
04. Geological Survey:						
Original budget	57 712 000					
Less: Virement	(4 031 861)	53 680 139	51 841 597.23	1 838 541.77	3.42	43 139 980.17
05. Energy:						
Original budget	72 504 000					
Less: Virement	(19 641 928)					
Less: Suspension	(10 000 000)	42 862 072	29 000 599.19	13 861 472.81	32.34	33 056 688.66
06. Diamond Affairs:						
Original budget	17 395 000					
Plus: Virement	333 177	17 728 177	17 319 256.71	408 920.29	2.31	13 785 007.04
07. Petroleum Affairs:						
Original budget	12 587 000					
Less: Virement	(1 692 526)	10 894 474	10 751 759.35	142 714.65	1.31	9 937 830.18
08. Energy Funds:						
Original budget	6 608 000					
Less: Virement	(215 807)	6 392 193	6 152 567.77	239 625.23	3.75	6 582 307.32
Total		240 674 000	217 793 542.04	22 880 457.96	9.51	194 969 677.81

1.2 Standard subdivisions

Subdivision	2023/2024			2022/2023
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	103 608 095	102 976 474.05	631 620.95	102 667 656.64
002. Employer's contribution to GIPF	12 139 843	11 899 987.33	239 855.67	12 151 479.44
003. Other conditions of service	1 350 045	1 348 843.80	1 201.20	1 616 767.02
005. Employers contribution to the social security	286 000	246 669.04	39 330.96	249 904.91
Total	117 383 983	116 471 974.22	912 008.78	116 685 808.01
Current expenditure: Goods and other services				
021. Travel and subsistence allowance	5 306 728	4 324 328.05	982 399.95	2 606 417.84
022. Materials and supplies	1 506 974	1 039 016.84	467 957.16	860 265.37
023. Transport	5 351 000	4 916 564.39	434 435.61	3 975 845.74
024. Utilities	10 200 000	9 960 301.00	239 699.00	10 394 297.64
025. Maintenance	4 077 315	2 525 448.11	1 551 866.89	1 450 010.51
027. Other services and expenses	4 907 000	3 824 830.50	1 082 169.50	2 827 253.45
Total	31 349 017	26 590 488.89	4 758 528.11	22 114 090.55
Current expenditure: Membership fees and subscriptions				
041. International	6 302 000	5 819 062.46	482 937.54	2 505 434.41
042. Domestic	1 000	450.00	550.00	400.00
Total	6 303 000	5 819 512.46	483 487.54	2 505 834.41
Total: Current expenditure	155 036 000	148 881 975.57	6 154 024.43	141 305 732.97
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	838 000	403 416.55	434 583.45	112 500.00
102. Vehicles	2 000 000	2 000 000.00	-	-
124. Abroad	2 800 000	2 799 999.93	0.07	2 660 000.03
Total	5 638 000	5 203 416.48	434 583.52	2 772 500.03
Total: Operational expenditure	160 674 000	154 085 392.05	6 588 607.95	144 078 233.00
Development:				
Recurrent expenditure				
032. Materials and supplies	7 500 000	7 316 239.44	183 760.56	6 899 999.63
037. Other services and expenses	29 450 853	28 992 675.69	458 177.31	16 673 643.48
Total	36 950 853	36 308 915.13	641 937.87	23 573 643.11
Capital expenditure				
112. Vehicles	300 000	300 000.00	-	-
113. Operational equipment, machinery and plant	640 000	530 220.95	109 779.05	934 081.90
115. Feasibility studies, design and supervision	640 000	525 294.85	114 705.15	2 534 964.49
117. Construction, renovation and improvement	38 469 147	23 043 719.06	15 425 427.94	18 848 755.31
131. Government organizations	3 000 000	3 000 000.00	-	500 000.00
Total	43 049 147	27 399 234.86	15 649 912.14	27 317 801.70
Total: Development expenditure	80 000 000	63 708 149.99	16 291 850.01	50 891 444.81
GRAND TOTAL	240 674 000	217 793 542.04	22 880 457.96	194 969 677.81

1.3 Departmental revenue

Revenue for the financial year is as follows:

Revenue head	2023/2024			2022/2023
	Estimate	Actual revenue	More/(Less) than estimated	Actual revenue
	N\$	N\$	N\$	N\$
Prospecting licences and claims	16 390 538	21 051 123.37	4 660 585.37	16 777 576.47
Diamond royalties fees	1 665 423 353	1 566 701 054.48	(98 722 298.52)	1 559 244 041.41
Other mineral royalties	679 800 000	655 901 058.40	(23 898 941.60)	599 120 702.81
Private telephone calls	100 000	-	(100 000.00)	-
Miscellaneous	73 053 086	(79 947 311.25)	(153 000 397.25)	372 144 527.64
Geological services	300 000	606 217.57	306 217.57	258 565.00
Oil-exploration rental fees	20 500 000	16 118 916.35	(4 381 083.65)	16 498 822.27
Sale of bidding documents	200 000	96 200.00	(103 800.00)	39 600.00
Total	2 455 766 977	2 180 527 258.92	(275 239 718.08)	2 564 084 195.68

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\$ 541 634.73 – 11.02%)

The main contributing factor to the underspending is on subsistence and travel allowance as funds were viremented to other divisions to cater for subsistence and travel allowance of the Office of the Minister. However, some planned trips could not take place. Hence, this resulted to an underexpenditure.

Main division 02 - Administration (N\$ 4 129 601.79 – 4.98%)

The underexpenditure resulted from GIPF, employer's contribution to social security, subsistence and travel allowance, materials and supplies, transport, maintenance expenses and other services and expenses due to the delay in filling the positions of Director-DAS, IT Deputy Director, and other vacant positions.

In addition, the Ministry had no budget for furniture, but due to the expansion of the Ministerial structure, the need to procure new office furniture was necessary to accommodate the needs for the new staff members. The funds were viremented to procure office furniture. Subsequently, the first quotation to procure furniture was underquoted. The second quotation was initiated very late and could not be processed due to the closure of the 2023/2024 financial year.

Main division 03 - Mining (N\$ 1 717 946.69 – 8.09%)

Funds were budgeted for the training and supply of equipment for cutting and polishing activities at Khorixas Cutting and Polishing Facility supplied by a Korean based company. The finalization process took longer than anticipated due to distance and language barrier (translators required). As a result, moving forward on any activity, e.g. getting equipment list, getting quotations, timelines etc. took long, which led to official documentation preparations being delayed. The required documentation such as bank guarantee certificates to make foreign payments were received late.

Main division 04 – Geological Survey (N\$ 1 838 541.77 – 3.42%)

The underexpenditure resulted from personnel expenditure, subsistence and travel allowance, materials and supplies, maintenance expenses, other services and expenses and membership subscription fees, due to the delay in filling the vacant positions, and some planned trips that could not be undertaken as well as the late submission of invoices. In addition, the underspending was observed on development budget under the Geological Sample Storage and Database, Regional Geochemical Sampling Survey, and upgrading of Geo-Laboratories and staff training.

For the Regional Geochemical Sampling Survey, bids were advertised, and many bidders participated in the bidding process to bid for procurement of framed pallets used for sample storage however, the delivered goods were substandard and deemed non-responsive, hence the bid was cancelled and recommended for re-advertisement in the next financial year.

For the upgrading of Geo-Laboratories and staff training, funds were budgeted for the procurement of supply, delivery and installation of a new XRD instrument and trade-in of the old XRD instrument. An advance part-payment for this procurement was supposed to be done during the 2023/2024 financial year. However, the advance par-payment process was not successful because the performance guarantee, supplied by a South African company was issued by a South African Financial Institution instead of a Namibian Financial Institution, and was declined, hence the funds could not be utilized.

For the Geological Sample Storage and Database the awarded bid for procurement of specialized personal protective equipment was subsequently cancelled because of non-delivery by the successful bidder. The awarded bid for repair and servicing of Sample Storage equipment could not be prepared due to the unavailability of spare parts.

Main division 05 – Energy (N\$ 13 861 472.81 – 32.34%)

The underexpenditure resulted from personnel expenditure, subsistence and travel allowance and membership subscription fees, due to the delay in filling the vacant positions, and some planned trips that could not be undertaken as well as the late submission of invoices and some invoices came less as expected.

In addition, the underspending observed on development budget under the Rural Electrification project. The scheduling and availability of the Bid Evaluation Committee (BEC) members have been inconsistent, leading to critical delays in the evaluation and award of tenders. These delays directly affected the procurement timeline and subsequent phases of project implementation.

During the execution phase, numerous on-site challenges were encountered that hindered the timely dissemination of crucial information, further affecting our progress. Several bid awards from the previous year were contested, leading to formal reviews and reassessments. The review process required additional time to ensure compliance with procurement regulations and fair evaluation of bids. This added complexity to the procurement phase, causing delays in contract awards and project initiation. As a result of these challenges, the expenditure rate did not align with the initial projections, resulting in underspending for the financial year under review .

Main division 06 - Diamond Affairs (N\$ 408 920.29 – 2.31%)

The underexpenditure resulted from personnel expenditures, subsistence and travel allowance, as well as other services and expenses, due to the delay in filling vacant positions, some planned trips and special training that could not take place as planned.

Main division 08 – Energy Funds (N\$ 239 625.23 – 3.75%)

The underexpenditure resulted from personnel expenditure, due to the delay in filling vacant positions.

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

(i) Over-estimation

Other Mineral Royalties: (N\$ 23 898 941.60)

The royalties for other minerals collected during 2023/2024 financial year was N\$ 655 901 058.40 which is less than the estimated amount of N\$ 679 800 000.00. The recorded variance of N\$ 23 898 941.60 was attributed to the economic climate change during 2023, that had a negative impact on end-user demand for some minerals such as lithium, dimension stones and base metals in important consumer markets as well as the fluctuations of mineral prices in international markets.

Diamond royalties: (N\$ 98 722 298.52)

The actual revenue collected during 2023/2024 financial year was N\$ 1 566 701 054.48 which is less than the estimated amount of N\$ 1 665 423 353.00. The recorded variance of N\$ 98 722 298.52 has occurred as diamond exports performed poorly during 2023 due to lab – grown diamond market that significantly have grow in few critical areas. Furthermore, during 2023, many diamond businesses were continuing with caution when making purchases due to the unpredictability of the economy and China's slow growth. There was a general lower price for diamonds during 2023 financial year that affected sales that further impacted royalties collected.

(ii) Under-estimation

Prospecting Licences and Claims: (N\$ 4 660 585.37)

The actual revenue collected during the 2023/2024 financial year was N\$ 21 051 123.37 which is more than the estimated amount of N\$ 16 390 538.00. The recorded variance of N\$ 4 660 585.37 has occurred due to an increased interest for mineral applications for industrial minerals such as lithium. In addition, the Ministry has intensified its verification effort prior to the issuance of export authorization, transfers, renewal and amendments of mineral rights.

Miscellaneous: (N\$ 153 000 397.25)

The actual revenue collected during 2023/2024 financial year was (N\$ 79 947 311.25) which is more than the estimated amount of N\$73 053 086.00. The recorded variance of (N\$ 153 000 397.25) which resulted from rectification of manual journals which led to overstatement of revenue during 2022/2023 and 2021/2022 financial years. The reversal was only processed during the 2023/2024 financial year.

Geological Services: (N\$ 306 217.57)

The actual revenue collected during 2023/2024 financial year was N\$ 606 217.57 which is more than the estimated amount N\$ 300 000.00. The recorded variance of N\$ 306 217.57 was experienced due to high maps sales experienced in the period under review.

2. GENERAL INFORMATION

2.1 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue as follows:

Description	Amount
	N\$
Export Permit	620 000.00
Departmental Debt	6 837.45
Underpayment on GIPF and medical aid	1 796.26
Unpaid leave from previous years	11 940.89
S&T Refund from previous year	11 905.65
House subsidy overpayment from previous years	32 900.81
Diamond Permit	114 500.00
Copies	1 535.37
Transfer of EPL, MC	96 500.00
Case No: HC-CIV-ACT-CTH	10 000.00
Accessories Work Permit	8 000.00
Wholesale, Installation, Retail	53 750.00
Royalties	3 600.00
High value Mineral Permit	135 100.00
Transport Permit	86 425.00
Journals for payments from previous years	56 470 290.39
Cash Surplus	220.00
NEPL, MC	3 050.00
Blasting Certificate	7 000.00
Diamond Licence	81 900.00
Reversal of Journals	(137 700 851.07)
Other reversal	(3 712.00)
Total	(79 47 311.25)

2.2 Bank accounts

The Accounting Officer reported that the Ministry operated the following bank accounts for various programmes with commercial banks during the financial year under review:

Name of account	Financial institution	Balance as at 31/03/2024
OGEMP Solar Revolving Fund	First National Bank – Business Branch	N\$ 1 208 088.96
OGEMP Solar Revolving Fund	First National Bank – Business Branch	N\$ 24 599 362.26
OGEMP Solar Revolving Fund	First National Bank – Business Branch	N\$ 1 071 962.91
OGEMP Solar Revolving Fund	First National Bank – Business Branch	N\$ 648 287.33
Botschaft Der RepubliK Namibia	UniCredit Bank Austria AG	€ 2 273.47
Geological Survey Infrasound	Standard Bank	N\$ 421 591.57
Sacreere Corporate Cheque Account	First National Bank	N\$ 254 499.67
Sacreere Cheque Account	First National Bank	USD 282 183.25
Sacreere Enterprise Business Account	First National Bank	N\$ 74 739.88
Sacreere Business Currency Account	First National Bank	USD 10 050.08

2.3 Funds accounts

The Accounting Officer reported the following fund accounts with closing balances as at 31 March 2024:

Fund name	Closing balance as at 31 March 2024
	N\$
National Energy Fund	354 657 886.17
National Energy Fund- Electricity levy	36 591 514.02
National Energy Fund-Petroleum & Energy	10 258 107.87
National Energy Fund- Equalisation Levy	51 000 000.00
National Energy Fund –Electricity Levy	25 000 000.00
National Energy Fund- P&E Gen Levy	25 500 000.00
National Energy Fund	1 187.91
National Energy Fund- Strategic oil storage	23 799 458.14
Development Bank of Namibia debt reserve account	46 883 739.96
Ninety One Namibia Money Market Fund B Acc	104 168 713.73
Ninety One Namibia Money Market Fund B Acc	33 438 681.50
IJG Securities-National Energy Fund	974 712.01
IJG Securities-National Energy Fund	66 477 551.35
IJG Securities-National Energy Fund	155 437 475.59
IJG Securities-National Energy Fund	123 323 167.81
Capricorn Asset Management Bank WHK	311 864 629.49
Capricorn Asset Management Bank WHK	1 001 766.77
Capricorn Asset Management Bank WHK	403 559.59
Equalization Fuel Levy	43 663 851.63
Equalization Fuel Levy	576 051.86
Equalization Fuel Levy	1 049 574.29
Equalization Fuel Levy	102 727 542.86
Diamond Board of Namibia	33 631 810.74
Diamond Valuation Fund	89 906 875.22
Mineral Development Fund	3 504 459.45
Mineral Development Fund	2 130 982.38

2.4 Outstanding commitments

The Accounting Officer reported outstanding commitments for the financial year under review amounting to N\$ 3 037 043.62 as at 31 March 2024.

2.5 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances amounting to N\$ 326 154.33 according to the IFMS debit balance list in respect of forty-three (43) staff members as at 31 March 2024.

2.6 Bursary and study assistance

The Accounting Officer reported study assistance for two (2) staff members amounting to N\$ 15 845.00 for the financial year under review.

2.7 Debt to Government

The Accounting Officer reported an outstanding balance of N\$ 1 254 927.40 as at 31 March 2024 in respect of debt to Government.

2.8 Annual stocktaking

The Accounting Officer reported that stocktaking was conducted at two (2) stock points during the financial year under review. Value of stock, surpluses, deficiencies, worn and obsolete is reported as follows:

Description	Amount
	N\$
Value of stock	63 416 652.16
Surpluses	5 417 814.00
Shortages/deficiencies	673 068.64
Worn and Obsolete	188 689.00

2.9 Vehicles on hand

(i) Own fleet

The Accounting Officer reported vehicles on hand as at 31 March 2024 as follows:

Details	Sedans	Pick - ups and combies	Heavy vehicles (Lorries Tractors Buses & Graders)	Motors bikes	Others(S/Ws SUVs Trailers)	Value
						N\$
Balance as at 31 March 2023	14	56	2	-	11	31 087 127.48
Acquisition	1	7	-	-	-	5 652 748.67
Donations	-	-	-	-	-	-
Auctioned	-	-	-	-	-	-
Balance 31 March 2024	15	63	2	-	11	36 739 876.15

(ii) Permanently allocated

The Accounting Officer reported vehicles on hand at 31 March 2024 as follows:

Details	Sedan	Pick- ups and combies	Value
			N\$
Balance at 01 April 2023	4	1	2 337 440.60
Balance at 31 March 2024	4	1	2 337 440.60

2.10 Accidents-Cost of damages

The Accounting Officer reported cost of damages for the financial year under review as follows:

Details	Number	Estimate/Actual amount
		N\$
Vehicles still to be repaired as at 01 April 2023	3	To be determined
Accidents reported during the year	-	-
Vehicles repaired as at 31 March 2024	(2)	141 710.19
Vehicles still to be repaired at 31 March 2024	1	46 717.60

2.11 Losses or damages: Persons outside Government

The Accounting Officer reported that no losses and damages to persons outside the Government occurred during the financial year under review.

2.12 Losses or damages through unavoidable causes

The Accounting Officer reported that no losses and damages through unavoidable causes occurred during the financial year under review.

2.13 Immovable assets

The Accounting Officer reported the following immovable assets as at 31 March 2024:

Nature of asset	No. of assets	Value
		N\$
Head Office	1	Undetermined
Office Building	3	Undetermined
Office	1	Undetermined
Accommodation rooms	5	Undetermined
2 Bedroom house	6	Undetermined
3 Bedroom house	4	Undetermined
2 Bedroom flat	3	Undetermined
3 Bedroom flat	3	Undetermined

2.14 Suspense accounts

The following fifteen (15) suspense accounts had balances at 31 March 2024, six (6) had debit balances and nine (9) had credit balances:

Description	Balance as at 31 March 2024 Debit / (Credit)
	N\$
Receipt suspense	273 077 756.91
Receipt suspense IRD	2 218.31
RD cheques	69 600.00
S&T advance suspense account	(33 807.54)
Rejection account	(65 905.42)
Bills payable	(14 211.23)
Electronic fund transfer clearing account	(33 621.48)
Social security	(48.99)
Tax code	(59 812.54)
Salary interface control account	0.93
Pension Fund: GIPF	(96 510.32)
Pension Fund: Political Office Bearers	69 358.00
Standard Bank (Windhoek)	58 174.06
First National Bank (Windhoek)	(1 690.12)
Debt establishment	(18 393.19)

2.15 Wellness

The Accounting Officer reported expenditure in respect of wellness activities amounting to N\$ 145 790.20.

2.16 Capital projects (Internally funded)

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

Nature of project	Approved total cost	Total expenditure as at 31 March 2023	Approved appropriation 2023/2024	Actual expenditure 2023/2024	Total expenditure as at 31 March 2024	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	N\$
National Airborne Geophysical Survey (NAGS)	70 000 000	50 497 310.24	2 000 000	2 000 000.00	52 497 310.24	31/03/2030
Geological Samples Storage and Database	52 524 000	27 890 760.31	1 700 000	1 130 893.63	29 021 653.94	31/03/2028
Regional Geological Mapping	51 760 000	34 638 761.20	3 000 000	2 968 448.35	37 607 209.55	31/03/2030
Seismology and Ground Geophysics	521 412 000	13 754 492.71	2 000 000	2 000 000.00	15 754 492.71	31/03/2030
Regional Geochemical Sampling Survey	67 376 000	17 792 677.21	1 000 000	816 239.44	18 608 916.65	31/03/2026
Regional Integrated Interpretation Geophysics (RIIG)	199 750 000	10 055 263.67	2 000 000	1 999 274.74	12 054 538.41	31/03/2026
Engineering and Environmental Geological Assessment	9 623 000	3 516 549.20	1 500 000	1 500 000.00	5 016 549.20	31/03/2030
Upgrading of Geo Laboratories and Staff Training	31 004 000	15 785 744.77	2 000 000	1 683 089.59	17 468 834.36	31/03/2030
Small Scale Mining	68 906 000	42 194 474.22	2 000 000	125 823.04	42 320 297.26	31/03/2026
Major power project development	105 041 000	51 204 110.07	-	-	51 204 110.07	31/23/2026
Off-Grid Electrification and Solar Revolving Fund	129 160 000	78 648 728.05	3 000 000	3 000 000.00	81 648 728.05	31/03/2029
Rural electrification	885 374 000	812 997 452.37	25 959 175	12 662 209.56	825 659 661.93	31/03/2026
National Energy Institute	98 610 000	43 250 000.00	3 000 000	3 000 000.00	46 250 000.00	31/03/2026
Upgrading and expanding of IT Infrastructure	71 231 000	34 895 253.50	21 200 853	21 182 199.64	56 077 453.14	31/03/2026
Construction of Solar Photovoltaic System	-	-	2 000 000	2 000 000.00	2 000 000.00	31/03/2030
Renovation and extension of MME buildings	100 900 000	36 038 477.22	7 639 972	7 639 972	43 678 449.22	31/03/2026
Total	2 462 671 000	1 273 160 054.74	80 000 000	63 708 149.99	1 334 868 204.73	

WINDHOEK, 31 AUGUST 2024

PENDA ITHINDI
ACCOUNTING OFFICER