



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF ENVIRONMENT AND  
TOURISM**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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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 Environment and Tourism for the financial year ended 31 March 2018 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, April 2019**

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.



**Direct reporting engagement**

It is when an auditor measures or evaluates the subject matter against the criteria. The auditor is responsible for producing the subject matter information. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. By measuring the subject matter evidence against the criteria, the auditor is able to form a conclusion.



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
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**1. SECTION A: FINANCIAL AUDIT**

**1.1 UNQUALIFIED AUDIT OPINION**

I certify that I have audited the financial statements of the Ministry of Environment and Tourism for the financial year ended 31 March 2018, 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 31 March 2018, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements of the Ministry of Environment and Tourism as at 31 March 2018 are prepared, in all material respects, in accordance with Section 12 & 13 of the State Finance Act, 1991, (Act 31 of 1991) and relevant legislation.

**1.2 EMPHASIS OF MATTERS**

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Ministry of Environment and Tourism in the financial statements:

**1.2.1 Suspense account balances**

The Bill payable suspense account reflects the total of outstanding cheques and should reflect a credit balance on 31 March 2018. However, it reflects a debit balance of N\$ 383 788.36. It was explained that the amount for RD cheques was brought forward from previous financial years, but no documentation was received from the Ministry of Finance – General Ledger Office.

The Electronic fund transfer clearing account had a debit balance at 31 March 2018 which is an account that should reflect a credit balance.

The Accounting Officer indicated that those accounts were not reconciled yet at the time of the audit.

Furthermore, the Rejection account had a credit balance of N\$ 102 736.10 at 31 March 2018 but should have a debit balance as it reflects the total of all outstanding debt.

It is recommended that the Accounting Officer should analyse those accounts and explain these balances.

### **Management Comment**

In his explanation, the Accounting Officer indicated that the bills payable account balance was caused by cheques that were not banked and expired. Some of those cheques were written back as far as from 2013, but Treasury has only processed them in March 2018. The RD cheques have been a challenge on clearing this account as the balance was brought forward from the old funds control system and it was difficult to trace all clients. On the Rejection account, the Accounting Officer indicated that the balance was caused by the double journals that were passed by Treasury and the Ministry. In future, the Ministry will do verification to avoid double transactions.

## **1.4 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. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

During the financial year under review, I have no key audit matters to report on.

## **1.5 OTHER MATTERS**

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Ministry of Environment and Tourism in the financial statements:

### **1.5.1 Audit Committee**

The Accounting Officer did not appoint an Audit Committee. The absence of the Audit Committee may lead to lack of review on the effectiveness of the internal audit division. Furthermore, the implementation of internal audit recommendations is not enforced and as such, there is a risk that internal controls may not be improved in such a way that fraud and irregularities are prevented and detected.

### **1.5.2 Disaster Recovery Plan**

It was noted that the Accounting Officer has not come up with an approved disaster recovery plan to provide information and guidance in the event of a disaster.

Disaster recovery plan is an integral part of the overall risk management of the Ministry. Since all of the risks cannot be eliminated, the management should implement a disaster recovery plan to prepare for potential disruptive events. This process is extremely important because it provides detailed strategies on how the Ministry will continue after severe interruptions and disasters. The disaster recovery plan stipulates how the Ministry will prepare for a disaster, what the Ministry's response will be, and what steps it will take to ensure that operations can be restored.

It is recommended that the Accounting Officer should develop and implement an IT disaster recovery plan.



### 1.5.3 Risk management policy

It was noted that the Accounting Officer has not come up with a documented risk management policy to provide information and guidance on risk management. Risk management is a process of identifying, assessing, managing and controlling risks within an organisation and it is aimed at providing guidance regarding the management of risk to support the achievement of the Ministry's objectives, protect staff and the Ministry's assets and ensure financial stability.

It is recommended that the Accounting Officer should develop and implement a Risk Management Policy.

### 1.6 OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, the auditor does 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.

I do not have any other information to report on.

### 1.7 FOLLOW UP ON PRIOR YEAR AUDITS

#### 1.7.1 Outstanding subsistence advances

It has also been noted that differences were observed between subsistence advance suspense account and the debit balance list have been recurring in the Ministry for four (4) consecutive years as follows:

<b>Financial year</b>	<b>Suspense account balance</b>	<b>Debit balance list balance</b>	<b>Difference</b>
	N\$	N\$	N\$
2014/2015	1 504 957.04	1 106 914.81	398 042.23
2015/2016	1 099 359.08	957 458.35	141 900.73
2016/2017	1 044 346.54	814 503.98	229 842.56
2017/2018	368 452.75	123 612.64	244 840.11

## **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 certify that I have audited the financial performance and the use of appropriated funds of the Ministry of Environment and Tourism for the financial year 31 March 2018.

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

The audit aimed to determine whether the Ministry of Environment and Tourism used the appropriated funds in compliance with Appropriation Act,2017(Act 1 of 2017); State Finance Act,1991(Act 31 of 1991), Public Procurement Act,2015(Act 15 of 2015); Treasury Instructions and Public Procurement Regulation during the financial year ended 31 March 2018. 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.

### **2.3 AUDIT OBJECTIVE**

The objective of this compliance audit is to verify and assess whether the Ministry of Environment and Tourism has complied with all laws and regulations that have an impact on the financial statements in accordance with ISSAI 1250.

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 of this compliance audit are derived from the following laws and regulations stated below:

Appropriation Act, 2017(Act 1 of 2017)  
State Finance Act, 1991(Act 31 of 1991)  
Treasury Instructions;  
Public Procurement Act, 2015(Act 15 of 2015)  
Public Procurement Regulations.

## **2.5 SUMMARY OF METHODS APPLIED**

I audited the financial statements for the financial year ended 31 March 2018 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulation that governs them.

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

In my opinion, the Ministry of Environment and Tourism'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, 2017(Act of 2017).

## **2.7 KEY AUDIT FINDINGS**

### **2.7.1 Daily subsistence allowance**

Treasury Instruction HB 0505 states, *"a claim for subsistence and other anticipated expenditure shall be submitted within 30 days after a person returned to his headquarters and monthly by a person who is elsewhere for a long period. Advances which not standing advances shall be set off against claims for subsistence and other expenditure, and should claim be less than the advance, the difference shall be repaid immediately by the relevant person"*.

The Accounting Officer reported fifteen (15) cases where claims were not submitted within thirty (30) days after the staff members returned from their trips.

It is recommended that the Accounting Officer should ensure that Treasury Instruction HB0505 is adhered to.

### **2.7.2 Annual stocktaking**

Treasury Instruction KA 0901 *"stores, equipment and livestock shall be subject to stocktaking at least once each financial year and the Accounting Officer shall submit the report thereon to Treasury for approval as soon as possible after the stocktaking"*

The Accounting Officer reported that the Ministry has seventy seven (77) points keeping stock, thirteen (13) main stock points and sixty four (64) distribution points. The Accounting Officer also indicated that due to lack of funds no annual stocktaking was conducted at any of the stocktaking points during the financial year under review.

It is recommended that the Accounting Officer should ensure that stocktaking is undertaken at all the stock points of the Ministry.

### 2.7.3 Stores and depots

Treasury Instruction BB 0101(i) stipulates that, “An Accounting Officer who, under section 8 of the Act , is charged with the general financial administration of a vote and state moneys under his control, shall be responsible for the accuracy of the accounting records, accounts and other financial documents under his control and the establishment and maintenance of effective systems of internal auditing and control of state moneys, other property of the state and securities”.

The following differences were found between the closing balance as at 31 March 2017 and the opening balance as at 1 April 2017 as reported by the Accounting Officer:

Name of store/depot	Stock on hand as at 31 March 2017	Stock on hand as at 01 April 2017	Difference
	N\$	N\$	N\$
Windhoek regional office	3 199 920.85	3 167 420.85	32 500.00
Ondangwa regional office	1 125 136.27	1 047 560.29	77 575.98
Tourism and Gaming	1 045 490.25	1 033 240.25	12 250.00
Outjo regional office	2 808 341.53	2 716 408.88	91 932.65
Windhoek workshop	7 647 270.08	7 221 187.40	426 082.68
Okaukuejo regional office	17 264 373.08	17 114 373.08	150 000.00
Swakopmund regional office	2 233 810.00	2 043 810.00	190 000.00
Head Office	4 611 287.01	4 552 807.01	58 480.00
Directorate of Scientific services	5 570 185.38	5 563 618.88	6 566.50
Directorate of Planning and Technical Services	1 798 684.20	1 648 684.20	150 000.00

It is recommended that the Accounting Officer should ensure the accuracy of the accounting records, accounts and other financial documents under his control.

### 2.7.4 Deficits

Treasury Instruction GC 1101 states that “the amount of any deficit discovered in cash, stamps or face value forms shall immediately be rectified by the person responsible for the safekeeping of and who must account for such cash, stamps or face value forms”.

The Accounting Officer reported deficits due to revenue shortages to a total amount of N\$ 7 660. Furthermore, letters requesting the staff member to pay the shortages or the proof of payment in the event were the staff member has paid were not provided for the audit.

It is recommended that the Accounting Officer should explain why the deficit was not rectified immediately as per the requirement of Treasury Instruction.

### **2.7.5 Unauthorised expenditure**

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

(i) One (1) main division was exceeded with an amount totalling N\$ 303 447.12. This amount is unauthorised in terms of Section 6 (a)(ii) of the State Finance Act; and

(ii) Although Treasury approval was obtained to utilise certain expected savings for the defrayal of excess expenditure through virements during the year, six (6) operational subdivisions were exceeded by an amount totalling N\$ 629 755.28, which is unauthorised in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer should closely monitor and review the financial position of the Ministry on a continuous basis to enable better financial control, and take appropriate action timeously to avoid unauthorized expenditure.

### **2.7.6 Outstanding commitments**

The Accounting Officer reported outstanding commitments of N\$ 440 997.94 at 31 March 2018. This is a contravention of Treasury Instruction DG 0208 which states that *“Accounting Officers shall regularly draw up a report from the commitment register in respect of all orders placed but not yet carried out by the suppliers. All these cases shall immediately be taken up with the supplier (s) in writing in order to be able to effect payment before the end of March.”*

It is recommended that the Accounting Officer should put mechanisms in place to ensure that invoices are submitted timely for payments.

### **2.7.7 Aircraft**

Treasury Instruction MA 0101 states that Treasury approval shall be obtained before any donation to the State is accepted.

The Accounting Officer reported that an amount of N\$ 233 428.44 was donated by various donors towards fuel for the aircrafts. No Treasury approval for this donation was provided for audit purposes.

It is recommended that the Treasury approval should be obtained before donations are accepted.

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

I was unable to continue with the audit of the performance information of the Ministry of Environment and Tourism because the Accounting Officer did not submit the supporting documents substantiating the achievements of the selected key performance indicators.

#### **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, Act 31 of 1991 and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

The management is also responsible for ensuring adherence to the State Finance Act, Act 31 of 1991, the Public Procurement Act, Act 15 of 2015 and Treasury Instructions and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

#### **5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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 and 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.

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 uses 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 report. However, future events or conditions may cause the Entity cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility is 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,2017 ( Act 1 of 2017), 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. POWERS AND DUTIES**

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State’s assets, such as stores, equipment, securities and movable goods; and;
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements


## **7. GENERAL INFORMATION**

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A. The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 23 October 2018 in terms of Section 13 of the State Finance Act, 1991.

## **8. ACKNOWLEDGEMENT**

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

**WINDHOEK, April 2019**

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



## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

		2017/2018				2016/2017
Service	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
		N\$	N\$	N\$	%	N\$
<b>01. Office of the Minister:</b>						
Original budget	4 541 000					
Plus: Virement	607 528					
Less : Suspension	(7 000)	5 141 528	4 915 765.27	225 764.73	4.39	6 419 058.07
<b>02 Administration, Finance and Human Resources (DAFHR):</b>						
Original budget	76 780 000					
Plus: Additional budget	86 584 000					
Plus: Virement	1 137 642					
Less : Suspension	(38 390 000)	126 111 642	126 415 089.12	(303 447.12)	(0.24)	76 122 718.81
<b>03. Wildlife and National Parks:</b>						
Original budget	215 184 000					
Plus: Virement	2 273 253					
Less: Suspension	(44 000)	217 413 253	215 871 824.75	1 541 428.25	0.71	213 363 642.10
<b>04. Scientific Services:</b>						
Original budget	30 708 000					
Less: Virement	(1 616 743)	29 091 257	29 027 824.93	63 432.07	0.22	31 493 515.95
<b>05. Tourism and Gaming:</b>						
Original budget	29 538 000					
Less: Virement	(1 755 900)	27 782 100	27 653 485.86	128 614.14	0.46	55 845 003.42
<b>06. Environmental Affairs:</b>						
Original budget	29 014 000					
Less: Virement	(604 640)	28 409 360	28 255 517.82	153 842.18	0.54	38 018 942.24
<b>07. Directorate of Planning and Technical Services:</b>						
Original Budget	51 795 000					
Less : Virement	(41 140)	51 753 860	51 655 381.92	98 478.08	0.19	88 885 393.15
<b>Total</b>		<b>485 703 000</b>	<b>483 794 889.67</b>	<b>1 908 110.33</b>	<b>0.39</b>	<b>510 148 273.74</b>

**ANNEXURE A (Continued)**

**1.2 Standard subdivisions**

Subdivision	2017/2018			2016/2017
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	237 286 207	236 560 504.73	725 702.27	223 967 772.97
002. Employer's contribution to staff's pension fund	27 274 000	27 106 580.12	167 419.88	23 719 636.60
003. Other conditions of service	2 982 753	2 981 022.60	1 730.40	2 168 615.86
005. Employers contribution to the Social Security Commission	919 000	863 261.34	55 738.66	(32.18)
<b>Total</b>	<b>268 461 960</b>	<b>267 511 368.79</b>	<b>950 591.21</b>	<b>249 855 993.25</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence allowance	25 149 476	24 597 971.70	551 504.30	25 691 833.10
022. Materials and supplies	2 262 484	2 265 656.49	(3 172.49)	4 984 773.14
023. Transport	38 197 799	38 173 746.06	24 052.94	40 902 495.12
024. Utilities	38 723 676	38 545 470.27	178 205.73	34 051 580.96
025. Maintenance expenses	334 000	323 937.16	10 062.84	1 989 751.94
026. Property rental and related charges	3 249 000	3 224 642.00	24 358.00	1 639 728.01
027. Other services and expenses	40 201 066	40 074 610.82	126 455.18	11 407 351.66
<b>Total</b>	<b>148 117 501</b>	<b>147 206 034.50</b>	<b>911 466.50</b>	<b>120 667 513.93</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	3 150 499	3 140 180.47	10 318.53	2 219 849.93
042. Domestic	615 000	615 000.00	-	1 620 000.00
<b>Total</b>	<b>3 765 499</b>	<b>3 755 178.47</b>	<b>10 318.53</b>	<b>3 839 849.93</b>
<b>Current expenditure: Subsidies, grants and other Transfers</b>				
044. Individuals and Non-profit organisation	1 040	17 311.26	(16 271.26)	-
045. Public and departmental enterprises and private industries	21 500 000	21 500 000.00	-	53 976 206.00
<b>Total</b>	<b>25 266 539</b>	<b>25 272 491.73</b>	<b>(5 952.73)</b>	<b>53 976 206.00</b>
<b>Total: Current expenditure</b>	<b>441 846 000</b>	<b>439 989 895.02</b>	<b>1 856 104.98</b>	<b>428 339 563.11</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	657 000	647 452.21	9 547.79	358 152.87
103. Operational equipment, machinery and plants	-	-	-	742 137.90
<b>Total: Capital expenditure</b>	<b>657 000</b>	<b>647 452.21</b>	<b>9 547.79</b>	<b>1 100 290.77</b>
<b>Total: Operational expenditure</b>	<b>442 503 000</b>	<b>440 637 347.23</b>	<b>1 865 652.77</b>	<b>429 439 853.88</b>

**ANNEXURE A (Continued)**

**Standard subdivisions**

Subdivision	2017/2018			2016/2017
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Development:</b>				
<b>Recurrent expenditure</b>				
027. Other services and expenses	-	-	-	2 186 903.37
<b>Total</b>	-	-	-	<b>2 186 903.37</b>
<b>Development: Capital expenditure</b>				
105. Feasibility studies, design and supervision	1 600 000	1 594 864.11	5 135.89	1 487 243.19
106. Purchase of land and intangible assets	-	-	-	1 699 582.72
107. Construction, renovation and improvements	41 600 000	41 562 678.33	37 321.67	75 334 690.58
<b>Total</b>	<b>43 200 000</b>	<b>43 157 542.44</b>	<b>42 457.56</b>	<b>78 521 516.49</b>
<b>Total: Development expenditure</b>	<b>43 200 000</b>	<b>43 157 542.44</b>	<b>42 457.56</b>	<b>80 708 419.86</b>
<b>GRAND TOTAL</b>	<b>485 703 000</b>	<b>483 794 889.67</b>	<b>1 908 110.33</b>	<b>510 148 273.74</b>

**1.3 Departmental revenue**

Revenue collected for the year is as follows:

Revenue head	Estimate	Actual revenue 2017/2018	More/(Less) than estimated	Actual revenue 2016/2017
	N\$	N\$	N\$	N\$
Unclaimed Cheques	-	2 216 003.70	2 216 003.70	-
Miscellaneous	450 000	3 345 098.47	2 895 098.47	217 807.25
Departmental Fines	2 500	1 200.00	(1 300.00)	1 200.00
Park Entrance Fees	-	-	-	69 773 471.00
Registration of Professional hunters	150 000	127 850.00	(22 150.00)	199 100.00
Registration of Culling Team	25 000	6 950.00	(18 050.00)	15 550.00
Film Fees	250 000	392 506.93	142 506.93	524 300.00
Tourist Concessions	2 200 000	1 174 999.00	(1 025 001.00)	3 011 211.12
Application fees for Gambling Licenses	50 000	118 600.00	68 600.00	-
Wildlife Registration and Licenses	450 000	425 803.00	(24 197.00)	337 470.00
Wildlife Utilization Permits	4 000 000	2 044 055.00	(1 955 945.00)	3 407 615.00
Application For Transfer/Removal of Gambling House	-	-	-	52 300.00
<b>Total</b>	<b>7 577 500</b>	<b>9 853 066.10</b>	<b>2 275 566.10</b>	<b>77 540 024.37</b>

## **1.4 Notes to the financial statements**

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

#### **Underexpenditure**

##### **Main division 01- Office of the Minister (N\$ 225 764.73-4.39%)**

The major variance was caused by under-spending on remuneration and daily subsistence allowance. The under-spending has been realized on Remuneration due to the seconded Personal Assistant (PA) to the Minister who terminated her contract before the end of the term. There was a staff member who was seconded from the Ministry of Industrialization and SME Development as PA to the Minister of Environment and Tourism (MET). MET has been reimbursing the remuneration of this staff member through debit acceptance order but the seconded staff member has decided to return to her original Ministry before the contract ended.

Underspensing has also been realized under daily subsistence allowance due to the fact that claims for the deployed bodyguards and drivers to the Minister that could not be processed because the deployment period expired. These Officers were redeployed to other OMA's and were no longer linked to the Ministry's DSA system. Therefore, their claims could not be processed on time.

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

#### **Over-estimation**

##### **Tourist concessions (N\$ 1 025 001)**

The variance under this revenue head was caused by the fact that one concessionaire did not pay the money owed for the financial year 2017/2018 within that period. The payment was only made in the 2018/2019 financial year, hence less revenue recorded during the 2017/2018 financial year.

##### **Wildlife utilization permits (N\$ 1 955 945)**

Revenue under this source item is collected from permits issued for various types of wildlife utilization, which can only be issued if applied for and approved by the Ministry. It is therefore difficult to accurately estimate the number of permits which will be applied for and issued in the end, hence the variance. The shortfall of N\$ 1 955 945 resulted from the low demand for permits during the year under review.

#### **Underestimation**

##### **Unclaimed cheques (N\$ 2 216 003.70)**

There was no amount estimated under this revenue head as the issuing of cheques ceased on 30 November 2017. The amount of N\$ 2 216 004 reflected was posted by the Ministry of Finance.

### Miscellaneous (N\$ 2 895 098.47)

An amount of N\$ 450 000 was estimated for Miscellaneous revenue for the 2017/2018 financial year. In January 2017 during reconciliation, it was detected that an amount of N\$ 2 704 155.85 for the 2015/2016 financial year was mistakenly passed between Park entrance fees and the Receipt suspense account. This journal was only reversed in March 2017 and corrected during the 2017/2018 financial year, hence the high variance for the financial year under review.

#### 1.5 Miscellaneous revenue

The Accounting Officer reported that Miscellaneous revenue was compiled as follows:

Description	Amount
	N\$
Surplus	11 094.55
Daily Subsistence Allowance Repayment	3 755.75
Remission of debt by Government officials	40 894.51
Housing Subsidy (February –December 2015)	3 328.52
Access Card	220.00
Employees deductions for 2016/2017	19 345.49
Debit Acceptance from Ministry of Education- October 2015	1 172.00
Resort Collections ( Accommodation)	57 215.00
Shortages paid from Swakopmund	1 829.00
Transport Allowance Repayment (2015/2016)	2 396.00
Shortages for 2015/2016 (Hobas)	760.00
Sale of bidding documents	10 800.00
Electronic Funds Transfers for May 2016 was wrongly posted	2 704 155.85
Basic Salary (2016/2017)	15 020.75
Housing allowance (2016/2017)	872.00
Shortage paid-Walvis Bay (2013/2014)	100.00
Employer GIPF (2016/2017)	470 389.05
Remoteness Allowance (2016-2017)	1 750.00
<b>Total</b>	<b>3 345 098.47</b>

## 2. GENERAL INFORMATION

### 2.1 Bank accounts

The Accounting Officer reported the following closing balances as at 31 March 2018:

Name	Financial Institution	Balance at 31 March 2018
		N\$
Game products Trust Fund	Standard Bank	5 106 113.22
Game products Trust Fund	First National Bank	1 376 347.31
Game products Trust Fund	First National Bank	13 122 168.31
Game products Trust Fund	Standard Bank	5 698 229.27
MET Spanish Tourism Project	First National Bank	-
Ministry of Environment and Tourism	Standard Bank	3 883 173.79
NACOMA Project Special Account	Standard Bank	5 860.68
NACOMA Project Operational	Standard Bank	42 334.62
NACOMA Project Special Account	Standard Bank	3 826.09
National Lottery Trust Fund	Bank Windhoek	354 279.56
National Lottery Trust Fund	Bank Windhoek	1 767 361.86
Namibia Parks Project (Namparks)	First National Bank	5 257 036.73
Namibia Parks Programme (Namparks 4)	Standard Bank	4 484 949.98
Namibia Parks Programme (Namparks 4)	Standard Bank	7 636.39
North Eastern Park Program (NEPP)	First National Bank	581 455.37
PASS Project	First National Bank	137 636.02

### 2.2 Debt to Government

The Accounting Officer reported a balance of N\$ 283 979.61 at 31 March 2018 on debt to the Government.

Nature of debt	Balance at 1 April 2017	New cases	Adjustments	Recovered during 2017/2018	Balance as at 31 March 2018
	N\$	N\$	N\$	N\$	N\$
Leave without pay	23 876.71	46 291.90	-	38 168.90	31 999.71
DSA	25 261.51	45 647.00	(4 925.81)	42 312.20	23 670.50
Salary overpayments	62 230.56	20 567.41	-	24 578.18	58 219.79
Remission of debt	24 380.27	2 140.00	-	26 520.27	-
Housing allowance overpayment	5 208.00	23 879.11	-	10 402.26	18 684.85
Motor vehicle	-	27 000.00	-	22 500.00	4 500.00
Remote allowance overpayment	4 700.00	183 892.65	-	41 687.89	146 904.76
	<b>145 657.05</b>	<b>349 418.07</b>	<b>(4 925.81)</b>	<b>206 169.70</b>	<b>283 979.61</b>

### 2.3 Capital projects

The following were the development projects of the Ministry during the financial year under review:

#### (i) Government funded

Project name	Approved total budget	Total expenditure as at 31/03/17	Approved Appropriation n 2017/2018	Actual expenditure 2017/2018	Total expenditure as at 31/03/2018	Expected year of completion
	N\$	N\$	N\$	N\$		
Construction and Extension of Regional Houses and Offices for Staff	681 168 000	144 051 830.85	15 422 906	15 411 947.58	159 463 778.43	31/03/2021
Water Provision for Game	42 000 000	28 320 314.03	1 145 109	1 144 771.53	29 465 085.56	31/03/2026
Fencing of Conservation Areas	252 774 000	249 850 167.42	12 000 000	11 969 942.35	261 820 109.77	31/03/2025
Upgrading of Tourist Roads	309 971 000	133 232 174.25	4 651 289	4 650 561.73	137 882 735.98	31/03/2025
Upgrading of sewerage and water supply systems	135 172 000	71 986 108.56	9 980 696	9 980 319.25	81 966 427.81	31/03/2025
<b>TOTAL</b>	<b>1 113 081 000</b>	<b>481 180 216</b>	<b>43 200 000</b>	<b>43 157 542.44</b>	<b>532 5 401.57</b>	

#### (ii) External (donor) funded

Project Name	Approved Total Budget	Total expenditure as at 31/03/17	Approved appropriation 2017/2018	Actual expenditure 2017/2018	Total expenditure at 31/03/18	Year of completion
	N\$		N\$	N\$	N\$	
Namibia Parks (NAM PARKS) Financial Contribution	210 000 000	-	35 000 000	2 273 059	2 273 059	31/3/2030
<b>Total</b>	<b>210 000 000</b>	<b>-</b>	<b>35 000 000</b>	<b>2 273 059</b>	<b>2 273 059</b>	

### 2.4 Aircraft

The Accounting Officer reported three (3) aircrafts on hand for the year ended 31 March 2018. During the financial year under review, the Ministry spent N\$ 3 490 157.82 on wildlife surveys, game spotting/capture, aerial patrols, anti-poaching patrols, park management, VIP flights and game census and N\$ 3 090 933.00 on flight personnel cost.

In addition, a total amount of N\$ 233 428.44 was paid by various donors towards fuel for the aircrafts.

## 2.5 Donations to Government

- **By foreign Governments**

The Ministry received donations from the following organisations. Treasury approvals were obtained.

Donor	Description	Value
		N\$
Global Environmental Facility (GIZ)	HP colour Laserjet Pro Multi-function printer.	5 787.00
NamParks IV Project (KFW) funded	Electronic equipment, furniture and tools	562 960.22
Biodiversity Management and Climate Change Project	Three (3) vehicles	1 050 000.00
Protected Areas System Strengthening (PASS)	Computers, office furniture, office and camping equipment	2 654 020.58

- **By Local Instances/Persons**

Donor	Description	Amount
		N\$
Sasscal Task 148 Project through Namibia University of Technology (NUST)	Acer Data Projector and Samsung Toners	8 153.85
Mr Benjamin Botha	Cutlery, microwave, television, pots and pans	14 081.14

## 2.6 Transfer of movable property

The Accounting Officer reported a donation of electrical and mechanical equipment valued at N\$ 4 957 194.28 made by the Ministry of Environment and Tourism to Namibia Wildlife Resort.

## 2.7 Internal inspections

The Accounting Officer reported that the following internal inspections were conducted during the year under review:

Category	Number of inspection points	Number of points inspected
Financial (Revenue)	35	2
Stock and equipment	77	1
Others (Internal audit)	58	21
<b>Total</b>	<b>170</b>	<b>24</b>

## 2.8 Livestock

The Accounting Officer reported a total of twenty nine (29) horses on hand at 31 March 2018.



## 2.9 Vehicles on hand

- **Own fleet**

The Accounting Officer reported the Ministerial own fleet on hand at 31 March 2018 as follows:

	<b>Sedan vehicles</b>	<b>Pick ups, combies</b>	<b>Heavy vehicles</b>	<b>Motor bikes</b>	<b>Others</b>
Opening balance at 1 April	39	256	149	30	11
Donations	-	3	-	-	-
Written off	(2)	(11)	(1)	-	(1)
<b>Balance at 31 March 2018</b>	<b>37</b>	<b>248</b>	<b>148</b>	<b>30</b>	<b>10</b>

- **Government Garage**

The Accounting Officer reported that the Ministry used the following pool vehicles during the year under review:

	<b>Sedan vehicles</b>	<b>Pick ups, combies</b>	<b>Heavy vehicles</b>
Opening balance at 1 April 2017	19	128	3
Acquisitions	-	-	-
Returned	-	-	-
<b>Balance at 31 March 2018</b>	<b>19</b>	<b>128</b>	<b>3</b>

## 2.11 Vehicle accidents

During the financial year under review, the Accounting Officer reported the following in respect of vehicle accidents:

<b>Authorized use</b>	<b>Number</b>	<b>Estimated/ Actual damage</b>	<b>Written off/ recovered</b>
		<b>N\$</b>	<b>N\$</b>
Vehicles still to be repaired at 1 April 2017	18	234 733.17	-
Accidents reported (2017/2018)	12	284 662.00	-
Vehicles repaired as at 31 March 2018	7	119 934.03	-
Written off	1	-	25 460.00
Vehicles to be repaired at 31 March 2018	22	371 463.91	-

## 2.12 Stores and depots

The Accounting Officer reported stock at its stores and depots as follows:

Description	Amount
	N\$
Stock on hand as at 01 April 2017	51 444 644.12
Received during the year	1 536 760.26
Issued during the year	(642 898.68)
Stock on hand as at 31 March 2018	<b>52 338 505.70</b>

## 2.13 Suspense accounts

The following suspense accounts had balances at 31 March 2018:

Description	Balance as at 31 March 2018 Debit/( Credit)
	N\$
Receipt suspense	(20 675 531.43)
RD Cheques	963 498.19
S&T advance suspense account	368 452.75
Rejection account	(102 736.10)
Bills Payable	383 788.36
Electronic Fund Transfer Clearing Account	320 409.44
Bank Windhoek Main Branch	10 322.91

## 2.14 Deficits

The Accounting Officer reported deficits due to revenue shortages to a total amount of N\$ 7 660.00.

## 2.15 Points keeping stock and annual stocktaking

The Accounting Officer reported that the Ministry had thirteen (13) stock points and sixty four (64) distribution points.

## 2.16 Outstanding commitments

The Accounting Officer reported outstanding commitments of N\$ 440 997.94 at 31 March 2018.

**WINDHOEK 23-10-2018**

**MR TEOFILUS NGHITILA  
ACCOUNTING OFFICER**