



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 2020

Published by authority

Price (Vat excluded) N\$ 46.00

Report no: 14/2021

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Ministry of Environment and Tourism for the financial year ended 31 March 2020 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 2021

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.
Under expenditure:	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). 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 (ISSAIs):	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
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>
Reasonable Assurance	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.
Limited Assurance	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.
Attestation engagement	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.
Subject matter	Refers to the information, condition or activity that is measured or evaluated against certain criteria.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF ENVIRONMENT AND TOURISM FOR THE FINANCIAL
YEAR ENDED 31 MARCH 2020**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Ministry of Environment and Tourism for the financial year ended 31 March 2020, 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 2020.

In my opinion, the financial statements of the Ministry of Environment and Tourism as at 31 March 2020 are prepared in all material respects 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 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 a basis for my qualified 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 no key audit matters to report on.

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. I do not have any other information to report on.

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 statements of the Ministry of Environment and Tourism for the financial year 31 March 2020.

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, 2019 (Act 2 of 2019); Appropriation Amendment Act, 2019 (Act 3 of 2019); 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 2020.

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

- Appropriation Act, 2019 (Act 2 of 2019);
- Appropriation Amendment Act, 2019 (Act 3 of 2019);
- 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 2020 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 KEY AUDIT FINDINGS

2.6.1 Unauthorized 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):

Although Treasury approvals were obtained to utilise certain expected savings for the defrayal of excess expenditure through virements during the year, four (4) operational subdivisions were exceeded by an amount totalling N\$ 223 851.40, which is unauthorised in terms of Section 6(a)(iii) of the State Finance Act, 1991.

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.

Management comment

The Accounting Officer indicated that the Ministry will monitor and review its financial position to take appropriate action to avoid unauthorised expenditure.

2.7 UNQUALIFIED AUDIT 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, 2019 (Act 2 of 2019) and Appropriation Amendment Act, 2019 (Act 3 of 2019).

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Ministry of Environment and Tourism for the financial year ended 31 March 2020.

3.1 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 was performed, by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Environment and Tourism 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.

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

3.3 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.

3.4 Summary of methods applied

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

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

3.6 Conclusion on the subject matter

The audit revealed a satisfactory outcome and all sub-criteria of the selected key performance indicators are reliable and useful to the public and stakeholders.

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 & 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, 2019 (Act 2 of 2019); Appropriation Amendment Act, 2019 (Act 3 of 2019); State Finance Act, 1991 (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.

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 an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

My powers and duties towards auditing and reporting on the financial statements and compliance to the subject matters 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.

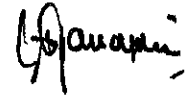
- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility 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, 2019 (Act 2 of 2019), Appropriation Amendment Act, (Act 3 of 2019), 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 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.

7. ACKNOWLEDGEMENT

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



WINDHOEK, FEBRUARY 2021

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2019/2020						2018/2019
Service	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent - age	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	3 791 000					
Plus: Virement	198 740	3 989 740	3 699 733.99	290 006.01	7.27	4 101 905.46
02. Administration, Finance and Human Resources (DAFHR):						
Original budget	84 182 000					
Plus: Virement	7 836 815					
Less : Suspension	(1 000 000)	91 018 815	88 268 506.60	2 750 308.40	3.02	81 842 834.57
03. Wildlife and National Parks:						
Original budget	195 412 000					
Plus: Virement	17 826 578					
Less: Suspension	(5 000 000)	208 238 578	205 630 986.18	2 607 591.82	1.25	185 453 670.23
04. Scientific Services:						
Original budget	26 156 000					
Less: Virement	(647 100)					
Less: Suspension	(500 000)	25 008 900	23 842 482.07	1 166 417.93	4.66	24 573 019.38
05. Tourism and Gaming:						
Original budget	19 605 000					
Plus: Virement	4 825 005					
Less: Suspension	(176 000)	24 254 005	23 716 106.68	537 898.32	2.22	20 990 717.54
06. Environmental Affairs:						
Original budget	31 975 000					
Less: Virement	(1 128 310)					
Less: Suspension	(500 000)	30 346 690	30 228 519.35	118 170.65	0.39	28 554 420.51
07. Directorate of Planning and Technical Services:						
Original budget	100 610 000					
Less: Virement	(28 911 728)					
Less: Suspension	(7 400 000)	64 298 272	55 162 896.12	9 135 375.88	14.21	37 934 355.58
Total		447 155 000	430 549 230.99	16 605 769.01	3.71	383 450 923.27

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2019/2020			2018/2019
	Authorized expenditure	Actual expenditure	Under expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	245 537 080	243 039 665.17	2 497 414.83	219 792 447.06
002. Employer's contribution to the GIPF	28 929 740	28 897 333.16	32 406.84	24 882 902.21
003. Other conditions of service	7 132 890	7 011 814.90	121 075.10	6 022 526.50
005. Employers contribution to the Social Security	906 760	899 649.04	7 110.96	876 958.97
Total	282 506 470	279 848 462.27	2 658 007.73	251 574 834.74
Current expenditure: Goods and other services				
021. Travel and subsistence allowance	14 320 200	13 572 198.71	748 001.29	11 022 769.32
022. Materials and supplies	2 255 913	1 878 571.35	377 341.65	1 650 722.49
023. Transport	33 670 285	32 977 613.63	692 671.37	33 769 766.60
024. Utilities	27 062 472	25 776 012.48	1 286 459.52	28 131 958.66
025. Maintenance expenses	1 615 185	1 454 292.45	160 892.55	2 482 483.66
026. Property rental and related charges	256 802	236 174.28	20 627.72	153 927.38
027. Other services and expenses	888 109	876 013.44	12 095.56	1 038 019.62
028. Training course, symposiums and workshop	12 400	12 400.00	-	-
029. Printing and advertisements	471 382	422 556.73	48 825.27	330 706.41
031. Entertainment Politicians	30 000	28 921.04	1 078.96	11 645.34
033. Office refreshments	27 770	17 434.18	10 335.82	16 650.65
034. Utilities	6 000	-	6 000.00	-
040. Security contracts	941 000	574 048.80	366 951.20	-
Total	81 557 518	77 826 237.09	3 731 280.91	78 608 650.13
Current expenditure: Membership fees and subscription				
041. Fees and subscriptions: International	2 461 014	2 460 546.74	467.26	3 020 017.44
042. Membership fees and subscriptions: domestic	510 000	510 000.00	-	421 991.96
Total	2 971 014	2 970 546.74	467.26	3 442 009.40
Current expenditure: Subsidies, grants and other transfers				
052. Subsidies to small and medium term enterprises	-	-	-	12 000 000.00

ANNEXURE A (continued)

Subdivision	2019/2020			2018/2019
	Authorized expenditure N\$	Actual expenditure N\$	Under expenditure/ (Excess) N\$	Actual expenditure N\$
053. Subsidies for state owned enterprises	23 000 000	23 000 000.00	-	6 100 000.00
Total	23 000 000	23 000 000.00	-	18 100 000.00
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	110 000	-	110 000.00	1 923 845.16
103. Operational equipment, machinery and plants	135 578	69 902.53	65 675.47	679 174.20
Total	245 578	69 902.53	175 675.47	2 603 019.36
Total: Operational Expenditure	390 280 580	383 715 148.63	6 565 431.37	354 328 513.63
Development:				
Current expenditure: Goods and other services				
022. Materials and supplies	3 274 575	1 398 174.86	1 876 400.14	396 220.85
027. Other services and expenses	1 000 000	-	1 000 000.00	-
035. Maintenance expenses	7 239 800	4 037 409.57	3 202 390.43	-
Total	11 514 375	5 435 584.43	6 078 790.57	396 220.85
Capital expenditure: Acquisition of assets				
105. Feasibility studies, design and supervision	3 170 340	3 170 304.29	35.71	-
106. Purchase of land and intangible assets	5 476 110	5 476 102.20	7.80	552 660.00
107. Construction, renovation and improvement	36 713 595	32 752 091.44	3 961 503.56	28 173 528.79
Total	45 360 045	41 398 497.93	3 961 547.07	28 726 188.79
Total Development expenditure	56 874 420	46 834 082.36	10 040 337.64	29 122 409.64
GRAND TOTAL	447 155 000	430 549 230.99	16 605 769.01	383 450 923.27

ANNEXURE A (continued)

1.3 Departmental revenue

Revenue collected for the year is as follows:

Revenue head	Estimate	Actual revenue 2019/2020	More/(Less) than estimated	Actual revenue 2018/2019
	N\$	N\$	N\$	N\$
Annual levy on gambling income	30 000 000	39 796 798.65	9 796 798.65	38 910 911.22
Miscellaneous	200 000	765 359.79	565 359.79	22 818 406.39
Departmental fines	1 000	2 200.00	1 200.00	1 200.00
Park entrance fees	65 000 000	73 058 889.56	8 058 889.56	79 337 218.21
Registration of professional hunters	200 000	170 350.00	(29 650.00)	194 420.00
Registration of culling team	20 000	9 900.00	(10 100.00)	14 400.00
Film fees	300 000	421 260.00	121 260.00	545 860.00
Tourist concessions	2 000 000	3 055 541.89	1 055 541.89	4 674 391.70
Gambling licences fees	4 000 000	5 049 078.02	1 049 078.02	4 237 113.52
Wildlife registration and licenses	350 000	764 285.00	414 285.00	582 620.00
Wildlife utilization permits	2 200 000	3 502 510.00	1 302 510.00	3 543 170.00
Sale of bidding documents	-	67 250.00	67 250.00	17 450.00
Removal of gambling house	-	10 000.00	10 000.00	166 500.00
Application fees for gambling licences	60 000	-	(60 000)	-
Sale of trophies	100 000	500.00	(99 500.00)	-
Permit fees	-	2 300.00	2 300.00	-
Commission fees	-	190.00	190.00	-
Total	104 431 000	126 676 412.91	22 245 412.91	155 043 661.04

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\$ 290 006.01 -7.27%)

The variation was caused by funds that were reserved for leave gratuity payments. The debit acceptance order was not submitted on time for reimbursement.

Main division 02 -Administration (N\$ 2 750 308.40 -3.02%)

The difference was caused by staff who were recalled from official trips due to lockdown in March 2020. Security contracts that lapsed in the middle of the financial year caused the variance on the appropriated amount. Cancellation of transactions and outstanding commitments also contributed to the underspending on the main division.

Main division 04-Scientific services (N\$ 1 166 417.92 -4.66%)

Game capture activities could not be completed as planned and this contributed to the variation. A delay in finalizing the payment for the project of translocation game and Covid-19 materials also affected the spending of the main division.

Main division 05 – Tourism and Gaming (N\$ 37 898 – 2%)

The underspending was caused by a travelling ban due to Covid-19 epidemic. Staff members who were doing gambling machine inspections and those that have been collecting the tourist entry forms were recalled from trips due to Covid-19 restrictions. These activities were negatively affected and could not be completed as planned. Funds earmarked for overtime and travelling allowances for gambling machine inspectors and printing statistics report could not be spend as projected.

Main division 07-Planning and technical services (N\$ 9 135 375.88 -14.21%)

The high rate of underspending was experienced under capital projects. This was mostly caused by the unavailability of materials and supplies in the country; and took much time to source materials and supplies including parts for repairing heavy equipment outside the borders. Some services were delivered towards the end of the financial year and the payments could not be finalized before the cut-off date.

Some projects were underperformed, work was substandard and had to be redone. This caused a delay in payment as the contractor had to remedy the defects.

The appropriated amount could not be fully utilised due to objection from some bidders on the selection of an award of a procurement contract.

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

(i) Under-estimation

Annual levy on gambling income (N\$ 9 796 798.65)

The Ministry estimated income of N\$ 30 000 000.00 for the financial year under review. An amount of N\$ 39 796 798.65 was collected which resulted in a surplus of N\$ 9 796 798.65.

Miscellaneous (N\$ 565 359.79)

An amount of N\$ 465 300.00 contributed to the variance under this account. This was caused by wrong allocation to miscellaneous account instead of park entrance fees. The error was only detected after the 2019/2020 book year has already closed.

Park entrance fees (N\$ 8 058 889.56)

The variance is due to an increase in the number of tourists who visited the national parks during the year under review.

Tourist concessions (N\$ 1 055 541.89)

The revenue collected has exceeded the estimated total amount. The cause of the variance was due to the increase in the number of concessions, which affected concession payment resulting in an increase of revenue collection.

Wildlife registration and licenses (N\$ 414 285.00)

The predominant drought situation caused the increase in the number of wildlife registration and licenses issued. Hence, increased the revenue collected under this revenue head.

Wildlife utilization permits (N\$ 1 302 510.00)

The number of permits issued in the 2019/2020 financial year has increased due to the prevailing drought situation, causing a surplus of N\$ 1 302 510.00.

Gambling licences (N\$ 1 049 078.02)

A surplus of N\$ 1 049 078.02 has been realised under this revenue head due to timely renewal of licenses.

2. GENERAL INFORMATION

2.1 Trust funds and bank accounts

The Accounting Officer reported funds kept in trust funds and bank accounts that were operated by the Ministry during the financial year under review at the following institutions:

Name	Financial institution	Balance as at 31 March 2020
		N\$
Game Products Trust Fund	Standard Bank	22 895 398.19
Game Products Trust Fund	First National Bank	1 473 553.50
Game Products Trust Fund	First National Bank	15 309 278.55
Game Products Trust Fund	Standard Bank	6 097 361.09
Environment and Tourism	Standard Bank	3 830 671.02
National Lottery Trust Fund	Bank Windhoek	368 968.07
National Lottery Trust Fund	Bank Windhoek	1 857 277.08
Namibia Parks Project (Namparks 4)	First National Bank	7 457 545.95
Namibia Parks Programme (Namparks 4)	Standard Bank	692 601.26
Namibia Parks Programme (Namparks 4)	Standard Bank	8 918 765.53
NamParks V	Standard Bank	2 637 922.07
NamParks V	Standard Bank	211 993.52

2.2 Aircraft

The Accounting Officer reported that the Ministry operated three (3) aircrafts during the year under review. The Accounting Officer further reported that the Ministry spent N\$ 3 939 270.18 for wildlife survey, game spotting/capture, aerial patrols, anti-poaching patrols, park management, VIP flights and game census. An additional amount of N\$ 696 891.38 was paid for helicopter services rendered. A total amount of N\$ 2 723 928.75 was also incurred in respect of aircraft personnel, compiled as follows:

Description	Amount
	N\$
Remuneration	2 526 688.50
DSA	49 135.00
Overtime	70 445.63
Leave gratuity	77 659.62

2.3 Miscellaneous revenue

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

Description	Amount
	N\$
Surplus	4 163.65
Subsistence and travelling allowance repayments for previous year	10 416.75
Remission of debts by Government Officials	12 449.75
Access card	60.00
Debit Acceptance from Jul-18 to Mar-19	16 177.20
Resort collections (Accommodation)	33 225.60
Concession fees for 2017-2018	32 400.00
Ministerial fines	960.00
Departmental debts	22 895.31
Gambling licence fees for 2018	25 000.00
Park entrance	465 600.00
Car capital allowance 2018-2019	410.40
Fine for late payment	300.00
Leave gratuity for previous Financial year	67 529.40
Unpaid EFTs from previous financial year	13 416.83
District collections	6 520.00
EFT direct deposits	51 615.90
GIPF employee contribution	2 189.00
SIM replacement	30.00
Total	765 359.79

ANNEXURE A (continued)

2.4 Capital projects

During the financial year under review, the Accounting Officer reported the following in respect of capital projects:

Project name	Approved total budget	Total expenditure as at 31/03/2019	Approved appropriation 2019/2020	Actual expenditure 2019/2020	Total expenditure as at 31/03/2020	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction and Extension of Staff Houses and Offices	686 168 000	168 720 784.29	12 201 250	11 599 665.56	180 320 449.85	31-Mar-26
Namibian Parks (NAM PARKS) financial contributions	105 000 000		3 150 000	3 150 000	3 150 000.00	31-Mar-30
Water Provision for Game Fencing of Conservation Areas	58 430 000	29 959 433.30	1 014 552	453 602.15	30 413 035.45	31-Mar-26
Upgrading of Tourist Roads	286 574 000	271 876 463.87	3 072 168	1 717 831.37	273 594 295.24	31-Mar-25
Human Wildlife Conflict	320 471 000	144 605 106.34	29 476 450	25 487 820.80	170 092 927.14	31-Mar-25
Wildlife Loan Scheme	12 000 000	-	-	-	-	31-Mar-22
Upgrading of sewerage and water supply system	53 300 000	-	1 000 000	-	-	31-Mar-25
TOTAL	1 657 615 000	699,720 547.19	56 874 420	46 834 082.36	746 554 629.55	

2.5 Donations to Government

The Accounting Officer reported that the Ministry received the following donations with the necessary Treasury approval:

i) Foreign instances

Donor	Description	Amount
		N\$
German Development Cooperation (GIZ)	IT equipment and office furniture	85 285.51

ANNEXURE A (continued)

ii) Other Governments

Donor	Description	Amount
Government of the United States NAM PARKS IV Project	Vehicles and equipment	N\$ 5 954 120.66
	IT equipment and furniture	34 708.65

iii) Local instances

Donor	Description	Amount
Hunting Safari Namibia Namibia Wildlife resort Kowas Adventure Safari	6 x Honda FA6500 generators	N\$ 94 302.35
	Guns, accessories and ammunition	36 420.00
	Honda generator set	11 061.55

2.6 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)	39	17
Stock and equipment	76	14
Internal audit	58	22
Total	173	53

2.7 Livestock

The Accounting Officer reported a total of twenty (20) horses on hand at 31 March 2020 valued at N\$ 30 000.00.

2.8 Vehicles on hand

The Accounting Officer reported the Ministerial fleet on hand at 31 March 2020 as follows:

2.8.1 Own fleet

	Sedan vehicles	Pickups, combies	Heavy vehicles	Motor bikes	Others
Opening balance at 1 April 2019	37	280	149	30	10
Acquisitions	-	-	-	-	-
Donations	-	4	-	-	-
Written off	-	-	-	-	-
Balance 31 March 2020	37	284	149	30	10

2.8.2 Government Garage

	Sedan vehicles	Pick-ups, combies	Heavy vehicles
Opening balance at 1 April 2019	19	128	3
Acquisitions	-	-	-
Returned	-	-	-
Balance 31 March 2020	19	128	3

2.9 Vehicle accidents

The Accounting Officer reported the following in respect of vehicle accidents:

Authorized use	Number
Vehicle still need to be repaired at 01 April 2019	14
Vehicle damaged beyond repair	1
Vehicle not needed repair	1
Accidents reported (2019/2020)	5
Vehicles repaired during 2019/2020	(3)
Vehicles to be repaired at 31 March 2020	14

2.10 Suspense accounts

The following suspense accounts had balances at 31 March 2020:

Description	Balance as at 31 March 2020 Debit/(Credit)
	N\$
Receipt suspense	4 178 209.16
RD cheques	963 548.19
S&T advance suspense account	832 494.74
Rejection account	27 593.76
Bills payable	381 761.14
Standard Bank (Windhoek)	8 947.89
Bank Windhoek Main Branch	10 322.91

2.11 Deficits

The Accounting Officer reported deficits due to revenue shortages to a total amount of N\$ 12 873.00.

2.12 Annual stocktaking

The Accounting Officer reported that stocktaking was conducted at four (4) of the Ministry's stock points. Surpluses of N\$ 124 898.00, deficiencies of N\$ 231 912.50, worn and damaged items of N\$ 27 474.00 and obsolete/redundant items of N\$ 192 972.00 were reported at these stock points.

2.13 Outstanding commitments

The Accounting Officer reported outstanding commitments of N\$ 174 484.48 at 31 March 2020. He stated that amounts were committed but could not be paid due to insufficient funds.

2.14 Debt to Government

The Accounting Officer reported a balance of N\$ 512 472.70 at 31 March 2020 in respect of debt to the Government.

2.15 Fixed property bought

The Accounting Officer reported that the Ministry purchased a property in the Lafrenz industrial area, Windhoek at a total cost of N\$ 5 476 102.20.

WINDHOEK, 19 OCTOBER 2020

**TEOFILUS NGHITILA
ACCOUNTING OFFICER**

