



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MINISTRY OF HEALTH AND SOCIAL

SERVICES

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 Health and Social Services 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.

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

WINDHOEK, MARCH 2025

**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 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.
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.
Suspensions:	Reduction on budget (Treasury may from time without or suspend any amount in an estimate of expenditure).
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
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)
Types of audit opinions:	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>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 statement 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>
Materiality:	Materiality is the threshold above which misstatements, including omissions either individually or in the aggregate, could reasonably be expected to influence the economic decisions of users made on the basis of the financial statements.
OMA:	Office/Ministry/Agency
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).

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
THE MINISTRY OF HEALTH AND SOCIAL SERVICES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

1. SECTION A: FINANCIAL AUDIT

1.1 QUALIFIED AUDIT OPINION

I have audited the financial statements of Ministry of Health and Social Services for the financial year ended 31 March 2024 provided by the Accounting Officer as attached in Annexure A - E. 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, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements of the Ministry of Health and Social Services as at 31 March 2024 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 OF QUALIFIED 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 a basis for my opinion. The Qualified Audit opinion is being expressed due to the following:

1.2.1 Outstanding commitments

The Accounting Officer reported outstanding commitments totaling N\$ 61 935 127.30, indicating that these payments were not settled by the end of the financial year despite being committed, while the Ministry realized underexpenditure of N\$ 41 275 124.92, resulting in the financial statement being understated with N\$ 61 935 127.30.

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 MATTERS

Attention is drawn to the management on the following matter that relate to my responsibility in the audit of the financial statements and excluding matters already disclosed by the Ministry of Health and Social Services in the financial statements. My opinion is not modified in respect of this matter:

1.4.1 Risk Management Policy

The Ministry operates without formalized policies and procedures for risk management, risk assessment, or fraud prevention. There are no documented policies that outline processes for identifying, assessing, or mitigating potential risks or fraud within the Ministry.

1.5 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. 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 2023 (Act 1 of 2023) Appropriation Amendment Act, 2023 (Act 16 of 2023), 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.

3. 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 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 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 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.

4. 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.

4.1 Unauthorized expenditure

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

- (i) One (1) main division was exceeded with a total amount N\$ 66 983 170.83 (2.35%). This amount is unauthorised in terms of Section 6 (a) (ii) of the State Finance Act, 1991; and
- (ii) Although Treasury approvals were obtained to utilize certain expected savings for the defrayal of excess expenditure through virements during the year, fifteen (15) operational subdivisions and five (5) development subdivisions were exceeded by an amount totalling N\$ 106 876 614.71 which is unauthorised in terms of Section 6(a) (iii) of the Act.

4.2 Procurement method

Public Procurement Act, 2015(Act 15 of 2015) section 33 (1) (3) (a) (b) States *“For the purposes of this section, “emergency”, includes a situation the country is either seriously threatened by or actually confronted with a natural disaster, catastrophe, or war; (b) life or the quality of life or environment may be seriously compromised ”.*

Although the Ministry had outlined goods and services as part of its planned activities in the procurement plan, the audit discovered that the Ministry resorted to using the emergency procurement method for acquiring various goods and services amounting to N\$ 19 216 030.18. This procurement approach was used despite the goods and services not meeting the criteria or requirements for an emergency procurement method.

4.3 Direct procurement

Public Procurement Act, 2015(Act 15 of 2015) section 36 (1) (2) (a) (b) States *“A direct procurement method allows a public entity to procure goods or services from a single source without competition.(a)where only one supplier has exclusive right to manufacture the goods or services , works or services to be procured , and no suitable alternative is available”.*

Despite having a well-documented procurement plan to guide the acquisition of goods and services as part of its planned activities, the audit found that the Ministry frequently utilized the direct procurement method for sourcing various goods and services totaling to N\$ 35 628 135.60. This practice suggests a deviation from the standard procurement Act.

By exclusively using a single supplier through direct procurement, the Ministry may have bypassed competitive bidding, a process essential for promoting transparency, and encouraging fairness.

4.4 Unapproved request

The Accounting Officer incurred expenditure amounting to N\$ 11 634 315.76 during the financial year under review, for goods and services that were acquired in the 2022/2023 financial year. Payments for this expenditure were made without Treasury authorization or approval. The Ministry sought Treasury approval, but it was rejected.

4.5 Key performance information

The Annual Plan and Annual Plan Review submitted for audit were not signed/approved contrary to the directive by the Secretary to Cabinet, which requires all performance information to be signed by Accounting Officers.

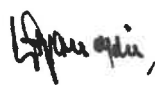
5. GENERAL INFORMATION

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

6. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Ministry of Health and Social Services is highly appreciated.

WINDHOEK, MARCH 2025


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2023/2024					2022/2023
Service	Authorized expenditure	Actual expenditure	Variation		Actual expenditure
			Under-expenditure/ (Excess)	Percentage	
N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:					
Original budget 7 644 000					
Less: Virement (1 094 200)	6 549 800	6 315 660.15	234 139.85	3.57	8 486 646.76
02. Human Resource Management and General Services:					
Original budget 399 248 000					
Less: Virement (24 329 147)	374 918 853	366 820 284.18	8 098 568.82	2.16	318 204 470.79
03. Referral Hospital Services:					
Original budget 2 361 237 000					
Additional budget 40 000 000					
Plus: Virement 456 415 642					
Less: Suspensions (5 000 000)	2 852 652 702	2 919 635 872.83	(66 983 170.83)	(2.35)	2 644 061 388.63
04. Regional Health and Social Welfare Services:					
Original budget 4 073 567 000					
Less: Virement (276 055 765)					
Less: Suspensions (5 203 060)	3 792 308 175	3 766 758 302.46	25 549 872.54	0.67	3 637 232 930.37
05. Primary Health Care Services:					
Original budget 55 833 000					
Less: Virement (14 848 000)	40 985 000	36 128 552.20	4 856 447.80	11.85	21 220 678.09
06. Development Social Welfare Services:					
Original budget 23 937 000					
Less: Virement (5 183 800)	18 753 200	17 032 243.70	1 720 956.30	9.18	17 000 253 .56

ANNEXURE A (continued)

2023/2024					2022/2023
Service	Authorized expenditure	Actual expenditure	Variation		Actual expenditure
			Under- expenditure/ (Excess)	Perce ntage	
N\$	N\$	N\$	N\$	%	N\$
07. Tertiary Health Care Services:					
Original budget 848 129 000					
Additional budget 10 000 000					
Plus: Virement 218 019 200	1 076 148 200	1 074 867 243.31	1 280 956.69	0.12	835 860 934.95
08. Policy, Planning and Human Resources Development:					
Original budget 107 318 000					
Less: Virement (28 479 670)	78 838 330	67 585 857.11	11 252 472.89	14.27	71 488 347.65
09. Finance and Procurement:					
Original budget 53 116 000					
Less: Virement (10 764 160)	42 351 840	41 806 900.16	544 939.84	1.29	39 698 051.68
10. Special Disease Programmes:					
Original budget 86 504 000					
Less: Virement (9 788 200)	76 715 800	76 485 423.34	230 376.66	0.30	53 153 360.81
11. Atomic Energy and National Radiation Protection Authority:					
Original budget 19 697 000					
Less: Virement (8 222 300)	11 474 700	11 407 777.13	66 922.87	0.58	14 405 325.59
12. Health Information and Research Directorate:					
Original budget 46 503 000					
Less: Virement (13 296 700)	33 206 300	32 239 473.65	966 826.35	2.91	47 276 268.09
13. Central Medical Stores:					
Original budget 1 602 157 000					
Additional budget 250 000 000					
Less: Virement (282 372 900)	1 569 784 100	1 516 328 284.86	53 455 815.14	3.41	1 294 712 934.32
Total	9 974 687 000	9 933 411 875.08	41 275 124.92	0.41	9 002 801 591.29

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	4 444 621 303	4 528 321 623.63	(83 700 320.63)	4 361 026 786.59
002. Employer's contribution to GIPF and M.P.O.O.B.P.F	413 751 000	413 688 117.25	62 882.75	382 926 236.53
003. Other conditions of service	105 362 510	107 912 972.56	(2 550 462.56)	123 596 058.78
005. Employers' contribution to the social security	13 589 800	13 616 154.29	(26 354.29)	13 472 506.61
Total	4 977 324 613	5 063 538 867.73	(86 214 254.73)	4 881 021 588.51
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	49 524 140	48 134 007.53	1 390 132.47	33 438 514.92
022. Materials and supplies	1 949 373 051	1 886 522 616.70	62 850 434.30	1 584 145 802.89
023. Transport	187 776 200	183 176 107.56	4 600 092.44	178 907 025.02
024. Utilities	428 388 978	421 609 726.78	6 779 251.22	370 552 394.58
025. Maintenance expenses	69 904 685	67 445 226.58	2 459 458.42	54 192 291.98
026. Property rental and related charges	20 403 100	20 402 066.62	1 033.38	18 785 166.11
027. Other services and expenses	1 458 501 768	1 449 276 035.24	9 225 732.76	1 288 024 584.26
Total	4 163 871 922	4 076 565 787.01	87 306 134.99	3 528 045 779.76
Current expenditure: Membership fees and subscriptions				
041. Membership fees and subscriptions: International	14 881 300	14 815 799.10	65 500.90	14 578 533.76
Total	14 881 300	14 815 799.10	65 500.90	14 578 533.76
Current expenditure: Subsidies grants and other Transfers				
044. Individual and non-profit organizations	360 240 300	360 239 415.60	884.40	324 198 984.54
Total	360 240 300	360 239 415.60	884.40	324 198 984.54
Total Current expenditure	9 516 318 135	9 515 159 869.44	1 158 265.56	8 747 844 886.57
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	7 092 730	6 993 365.41	99 364.59	1 762 443.14
102. Vehicles	18 452 000	18 450 219.84	1 780.16	2 295 599.99
103. Operational equipment, machinery and plants	214 941 720	213 471 278.02	1 470 441.98	88 729 833.45
Total	240 486 450	238 914 863.27	1 571 586.73	92 787 876.58
Total: Operational expenditure	9 756 804 585	9 754 074 732.71	2 729 852.29	8 840 632 763.15
Development:				
Capital expenditure: Acquisition of capital assets				
111. Furniture and office equipment	34 670 490	28 311 923.16	6 358 566.84	4 899 043.88
115. Feasibility studies, design and supervision	29 789 305	26 784 563.76	3 004 741.24	21 567 032.61
117. Construction, renovation and improvements	153 422 620	124 240 655.45	29 181 964.55	135 702 751.65
Total: Development expenditure	217 882 415	179 337 142.37	38 545 272.63	162 168 828.14
Grand Total	9 974 687 000	9 933 411 875.08	41 275 124.92	9 002 801 591.29

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\$
Private telephone calls	1 000	289.02	710.98	16.00
Miscellaneous	2 900 000	(1 739 514.80)	(4 639 514.80)	2 543 532.27
Health services	41 107 000	43 264 019.62	2 157 019.62	48 334 264.78
Board and lodging: Health	7 888 000	6 369 967.66	(1 518 032.34)	6 539 171.96
Contribution order	-	-	-	180.00
Inspection fees	645 000	886 386.15	241 386.15	700 309.80
Mortuary fees	237 000	322 030.95	85 030.95	275 564.00
Sale of electricity	273 000	1 587 751.38	1 314 751.38	2 127 758.71
Ambulance fees	53 000	43 236.40	(9 763.60)	48 863.67
Incineration	167 000	538 661.60	371 661.60	291 194.04
Medical reports	1 242 000	1 468 450.80	226 450.80	1 245 151.25
Registration of medicine	2 675 000	3 343 438.58	668 438.58	2 241 973.93
Retention	6 500 000	4 617 815.29	1 882 184.71	5 995 134.04
Application	1 505 000	2 673 862.35	1 168 862.35	4 735 934.00
Sale of bidding documents	399 000	521 277.00	122 277.00	317 041.00
Total	65 592 000	63 897 672.00	1 694 328.00	73 396 089.45

1.4 Notes to the financial statements

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

i) Underexpenditure

Main division 01: Office of the Minister (N\$234 139.85 - 3.57%)

Funds were allocated for subsistence and travel allowance for staff in the Office of the Minister. However, these were not fully utilized due to some activities being co-funded by development partners. This co-funding information was only received after the Appropriation Bill was passed, due to differing fiscal years between the Government and development partner, as a result, the budgeted travel funds could not be fully utilized.

Main division 02: Human Resource Management and General Services (N\$ 8 098 568.82-2.16%)

Budgetary provision was made for the installation of network infrastructure at various health facilities across the country. However, due to delays in the acquisition of ICT material some suppliers could not complete the required work on time for the payment deadline which was set by Treasury, hence the variance of 2.16%.

Main division 05: Primary Health Care Services (N\$4 856 447.80 - 11.85%)

This variance is primarily within the development capital budget, where progress was slow on the construction of accommodation facilities at port health due to delays by the contractors. Projects at Ariamsvlei and Noordoewer were notably impacted.

Main division 06: Development Social Welfare Services (N\$ 1 720 956.30 - 9.18%)

The underspending stemmed from delays in renovation and construction work at the Ettagameno Rehabilitation Centre, largely due to delays in the re-confirmation of consultants needed to finalize bid documents.

Main division 08: Policy Planning and Human Resource Development: (N\$ 11 252 472.89 - 14.27%)

The underspending of 14.27% is realized under the development capital budget. Budgetary provisions were made for minor capital works at health facilities. However, delays in renovation requests from Regional/Referral hospitals due to capacity challenges at the Department of Works, and the abandonment of the (RMT) Offices construction, led to significant underexpenditure.

Main division 12: Health Information and Research (N\$ 966 826.35 - 2.91%)

The underexpenditure in this main division was largely related to personnel costs. Additional funds were allocated to pay leave gratuities for COVID-19 volunteers, but these payments were delayed due to outstanding tax returns at NAMRA.

Main division 13: Central Medical Stores (N\$ 53 455 815.14 - 3.41%)

The underexpenditure was primarily caused by suppliers failing to deliver goods before the end of the financial year. As a result, these orders were canceled resulting in the underspending of N\$53,455,815.14.

ii) Overexpenditure

Main division 03: Referral Hospital Services (N\$ 66 983 170.83 - 2.35%)

The excess was primarily due to adjustments of service benefits following a collective agreement between the Government of the Republic of Namibia and recognized trade unions. Despite these adjustments, the Treasury provided no additional funding, and the Ministry was already facing challenges in meeting its obligations for critical services rendered. To mitigate the shortfall, the Ministry made adjustments through the virement of funds amounting to more than N\$ 178 million. However, this amount was not sufficient to cover the deficit, leading to the reported excess expenditure.

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

(i) Over-estimation

Miscellaneous (N\$ 4 639 514.80)

As with some other revenue heads, this item cannot be accurately predicted due to the uncertainty of the number of transactions that will take place during the course of the financial year. As for the financial year under review, extreme caution was again exercised to ensure that all items journalized towards this account, are inherently supposed to be posted to this revenue head. However, for the financial year under review, the revenue collections were lower than the projections.

Boarding and lodging: Health (N\$ 1 518 032.34)

The Ministry collected lesser than the projection for the financial year under review. There might have been a decrease in the number of personnel requiring board and lodging services. Operational challenges such as maintenance issues, which might have led to reduced availability or quality of lodging services, impacting revenue.

Retention (N\$ 1 882 184.71)

Pharmaceutical companies might have chosen to withdraw certain medicines from the market, due to either low sales, safety concerns, or the availability of better alternatives. This would result in fewer retention fees being paid.

Increased competition from generic medicines or new products might have led to a decline in the demand for older or less profitable medicines, prompting companies to discontinue those products.

(ii) Under-estimation

Health Services (N\$ 2 157 019.62)

The Ministry managed to collect more revenue than estimated. There may have been a higher demand for health services due to an increase in patient visits, an expanded or improved range of health services offered, attracting more patients and thereby generating more revenue.

ANNEXURE A (continued)

An improvement in the efficiency of service delivery, such as reduced waiting times or better resource management, more patients could have been served, leading to higher revenue.

Improved billing and collection practices, such as reducing payment delays or enhancing follow-up on outstanding fees, could have contributed to higher revenue.

Inspection Fees (N\$ 241 386.15)

The Ministry collected more than which was estimated for inspection fees. A surge in inspection activities, due to heightened enforcement of health and safety regulations, or an expansion of the types of facilities or businesses requiring inspections.

Sale of Electricity (N\$ 1 314 751.38)

Revenue generated from the sale of electricity exceeded estimates. Enhanced invoicing and collection processes, such as timely billing or better follow-up on outstanding payments, could have led to quicker and more complete revenue collection from tenants operating within the premises of hospitals.

Private facilities settling previous outstanding balances or processing bulk payments to clear past dues, this could have contributed to the surplus in revenue.

Incineration (N\$ 371 661.60)

The Ministry collected more revenue from incineration activities than estimated. There was an increase in the amount of medical or hazardous waste generated by hospitals, clinics, or other healthcare facilities, leading to more frequent or larger-scale incineration services.

Medical Reports (N\$ 226 450.80)

The surplus of revenue collected from medical reports may have come as a result of a rise in the number of requests for medical reports, possibly due to an increase in legal cases, insurance claims, or employment-related health assessments.

Public awareness campaigns or legal changes might have prompted more individuals to request medical reports, especially for purposes like disability claims, legal proceedings, or health assessments for work or travel.

Registration of Medicines (N\$ 668 438.58)

The Ministry collected more revenue than estimated and this was due to an increase in the number of new medicines submitted for registration, driven by pharmaceutical companies introducing new products to the market or expanding their product lines.

Application (N\$ 1 168 862.35)

For the year under review, the Ministry collected higher revenue than projections. This means that the Ministry had experienced an increase in applications from pharmaceutical companies intending to register the latest version medicine products on the market.

2. GENERAL INFORMATION

2.1 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue as follows:

Nature of revenue	Amount
	N\$
Journals posted for 2022/2023 financial year	1 563 089.87
Collections direct deposits and EFTs	2 314 508.41
Journal posted: Reconciliation office and Central Medical Stores	(7 185 846.83)
Payroll transactions and reversals and payments	714 098.20
Crutches	7 951.00
Damaged property	1 334.15
Day care taker	34 483.00
Health certificate	2 920.00
Health passports	582 096.70
Garbage food (Left over foods)	13 982.00
License	9 223.00
Lost item	4 320.00
Private photocopy	484.00
Pharmacy	53 700.00
Physiotherapy	14 075.00
Registration fees	172.00
Stethoscope	86.60
Surplus	10 051.26
T.Q. Equipment	375.00
Thermometer	10 982.00
Veranda	7 139.00
Transport	2 470.00
Other	39 943.54
Salary refunds	80 647.30
Clamping fees	5 200.00
Totals	(1 739 514.80)

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	Balance as at 31/03/2024
	N\$
GB Namibia Aids Trust Account	1 379 510.33
Oshikoto Regional Health Directorate	327 635.86
Eenhana Emoc Project	33 089.49
Oshakati Medical Seminar	190 863.14
Omusati Regional Directorate	654 693.33
MoHSS : WCH	9 118.85
MoHSS: WHO Projects	524 794.36
CDC MohSS SP	7 920 364.18
Onandjokwe Resource Centre Project	61 516.46
H/O Namibia GF: Malaria PR 2018	101 954.41
H/O Namibia GF: HIV/TB PR 2018	2 576 683.16
H/O Namibia GF:NVDCP PR 2018	3 032 992.49
H/O Namibia GF:NTP PR 2018	2 437 460.83
H/O Namibia GF: HIV SR PR 2018	681 566.92
H/O Namibia GF: PMU PR 2018	1 105 099.54
Ministry of Health and Social Services	21 534 847.40
General Health Outbreak	20 825.27
North East Aids Project	2 764 089.94
Gobabis UNICEF	183 930.20
Treatment for State Patients	27 303 459.44
Caprivi Regional Health Directorate	919 799.18
Bloomberg Philantropies DH4	878 329.30

2.3 Compensation payments

The Accounting Officer reported that Treasury approved compensation payments amounting to N\$ 835 570.50 in respect of seven (7) claims against the State during the financial year under review.

2.4 Revenue outstanding

The Accounting Officer reported revenue outstanding to the amount of N\$ 12 409 312.58 during the financial year under review:

Revenue head	Number of cases	Amount	Reasons for outstanding revenue
		N\$	
Health services	279 822	11 978 167.37	Patients do not have money to pay for services.
Mortuary fees	225	9 131.00	Some family members could not afford to pay.
Incineration	12	121 050.00	Services were provided towards the end of the financial year.
Sale of electricity	26	272 054.21	NIP did not pay water and electricity account on time.
Board and lodging	22	28 910.00	The Ministry should consider establishing a proper billing system in order to improve revenue collection.
Total	280 107	12 409 312.58	

2.5 Outstanding commitments

The Accounting Officer reported outstanding commitments for the financial year under review amounting to N\$ 61 935 127.30.

2.6 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances amounting to N\$ 1 393 509.65 in respect of one hundred and thirty six (136) staff members as at 31 March 2024.

2.7 Bursary and study assistance

The Accounting Officer reported study assistance for two hundred and ten (210) staff members amounting to N\$ 56 430 620.86 during the financial year under review.

2.8 Donations by Government

The Accounting Officer reported donations of equipment to the Ministry of Education, Arts and Culture for (NUST and UNAM for teaching and learning purposes) valued at N\$ 51 000.00 by the Government with necessary Treasury approval.

2.9 Donations to Government

The Accounting Officer reported donations from various donors with the necessary Treasury approvals with the value of N\$ 294 645 041.28.

2.10 Debt to Government

The Accounting Officer reported an outstanding balance of N\$ 3 728 206.43 as at 31 March 2024 in respect of debt to Government.

2.11 Exemption from procurement procedures

The Accounting Officer reported exemption from Procurement procedures in terms of Section 4(2) of the Public Procurement Act, 2015 (Act No.15 of 2015) in respect of procuring pharmaceutical and clinical supplies above the Ministry's threshold amounting to N\$ 858 480 556.75.

2.12 Annual stocktaking

The Accounting Officer reported that stocktaking was conducted at sixty-eight (68) stock points during the financial year under review. Values of stock, surpluses, deficiencies, worn and obsolete are reported as follows:

Description	Amount
	N\$
Value of stock	877 736 630.29
Surpluses	107 429.35
Shortages/deficiencies	267 600.56
Worn and damaged	9 399 672.08
Obsolete and redundant	7 295.00

2.13 Stores and depots

The Accounting Officer reported stock at five (5) stores and depots for the financial year under review as follows:

Description	Amount
	N\$
Stock on hand as at 01 April 2023	7 208 944.97
Received during the year	8 626 534.65
Surpluses during the year	112 596.71
Issued during the year	(7 606 669.67)
Losses/Shortages	(187 680.38)
Stock on hand as at 31 March 2024	8 153 726.28

2.14 Internal inspections

The Accounting Officer reported internal inspections conducted at two hundred and forty-four (244) points during the financial year under review as follows:

Type of inspection	Number of inspection points	Number of points inspected
Financial	340	244
Stock and equipment	68	68
Others (Depots)	5	5
Total	413	317

2.15 Vehicles

2.15.1 Accidents-Cost of damages

The Accounting Officer reported eighty-four (84) vehicle accidents with an estimated repair cost of N\$ 3 097 003.43 for the year under review, and fifty-nine (59) vehicles were repaired during the financial year with a total repair cost of N\$ 2 221 427.00.

2.15.2 Vehicles written off

The Accounting Officer reported that during the financial year under review, the Ministry wrote off sixty-eight (68) vehicles to the value of N\$ 905 000.00 with the necessary Treasury approvals.

2.16 Petty cash

The Accounting Officer reported that the Ministry has been granted petty cash to the amount of N\$ 39 000.00 which was allocated to thirteen (13) regions, five (5) referral hospitals and N\$ 11 489.13 as cash on hand at 31 March 2024.

2.17 Suspense accounts

The following nine (9) suspense accounts had balances at 31 March 2024. Six (6) had debit balances and three (3) had credit balances:

Description	Balance as at 31 March 2024 Debit / (Credit)
	N\$
Petty cash	39 000.00
S&T advance suspense account	1 953 973.73
Rejection account	607 469.25
Bills payable	4 657 645.71
EFT	(171 771.82)
Social security	(68 118.93)
Pension funds: GIPF	(1 206 812.03)
Bank Windhoek (Main Branch)	4 600.00
Debt establishment	957 428.49

2.18 Deficits

The Accounting Officer reported deficits amounting to N\$ 24 616.99 for the financial year under review.

2.19 Suspension

The Accounting Officer reported suspensions amounting to N\$ 10 203 060.00 for the financial year under review.

2.20 Capital projects (Internally funded)

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

No	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
1	Upgrading and Renovation of Katutura Hospital	N\$ 190 000 000	N\$ 87 682 808.80	N\$ 5 000 000	N\$ 4 088 541.04	N\$ 91 771 349.84	31/03/2030
2	Upgrading and Renovation of Windhoek Central Hospital	1 777 000 000	236 829 440.48	4 668 540	1 887 619.94	238 717 060.42	31/03/2030
3	Upgrading and Renovation of Oshakati Intermediate Hospital	4 26 000 000	572 955 763.08	8 000 000	8 184 759.85	581 140 522.93	31/03/2030
4	Construction and Upgrading of Primary Health Care Clinic Nationwide	740 000 000	1 048 050 314.83	46 000 000	46 849 764.46	1 094 900 079.29	31/03/2030
5	Construction and Upgrading of Primary Health Care Centre Nationwide	523 000 000	503 851 270.78	50 000 000	61 224 883.36	565 076 154.14	31/03/2030
6	Upgrading and Renovation of Keetmanshoop Hospital	70 000 000	118 407 089.90	6 000 000	5 914 970.61	124 322 060.51	31/03/2030
7	Upgrading of Katima Mulilo Hospital	80 000 000	98 112 956.55	4 800 000	78 316.64	98 191 273.19	31/03/2030
8	Upgrading and Renovation of Okahao Hospital	96 300 000	71 562 584.57	1 500 000	3 597 321.19	75 159 905.76	31/03/2030
9	Maintenance and Repairs of Health Infrastructure	356 500 000	590 417 847.50	36 500 000	28 810 745.72	619 228 593.22	31/03/2030
10	Upgrading and Renovation of Mariental District Hospital	48 000 000	8 389 433.71	5 262 660	1 103 931.13	9 493 364.84	31/03/2030
11	Eiegemeno Rehabilitation and Resource Centre Upgrading	-	-	1 600 000	-	-	31/03/2030
12	Upgrading and Renovation of Okakarara District Hospital	40 400 000	10 606 934.44	3 000 000	1 597 265.59	12 204 200.03	31/03/2030
13	Upgrading and Renovation of Gobabis District Hospital	30 000 000	7 835 016.19	3 343 110	43 101.56	7 878 117.75	31/03/2030
14	Upgrading and Renovation of Swakopmund District Hospital	43 000 000	24 559 095.33	12 000 000	4 801 766.42	29 360 861.75	31/03/2030
15	Construction of Omuthiya District Hospital	25 000 000	9 010 863.13	4 000 000	1 550 368.99	10 561 232.12	31/03/2030
16	Upgrading and Renovation of Onandjekwe Hospital	96 000 000	135 143 822.22	6 000 000	3 738 417.29	138 882 239.51	31/03/2030
17	New Infectious Diseases/TB Hospital Ojizondjupa Region	16 290 000.00	87 682 808.80	4 730 000	601 539.46	88 284 348.26	31/03/2030
18	Renovation of ST.Mary's Hospital	30 087 000	-	4 658 105	158 104.00	158 104.00	31/03/2030
19	Development and Strengthening of Network Infrastructure Nationwide	163 000 000	-	5 000 000	4 885 677.54	-	31/03/2030
20	Upgrading and Renovation of Rundu Hospital	85 000 000	152 018 092.57	2 500 000	250 047.58	152 268 140.15	31/03/2030
21	Construction of Khomas Hospital	35 000 000	-	570 000	-	-	-
22	Renovation / Construction of Regional	43 016 718	-	2 750 000	-	-	31/03/2027
Total		3 270 577 000	3 763 116 142.88	217 882 415	179 337 142.37	3 937 597 607.71	

2.21 Capital projects (Externally funded)

The Accounting Officer reported the following externally funded development project for 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
Upgrading and renovation of Health Internship Training Facilities	20 000 000	-	20 000 000	2 832 191.54	2 832 191.54	Ongoing
Total	20 000 000	-	20 000 000	2 832 191.54	2 832 191.54	

WINDHOEK, 23 AUGUST 2024

**BENETUS NANGOMBE
ACCOUNTING OFFICER**