



REPUBLIC OF NAMIBIA



Ministry of Lands and Resettlement



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF LAND REFORM
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

Published by authority

Price (Vat excluded) N\$ 45.40
Report no: 57/2018

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 Land Reform for the financial year ended 31 March 2017 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, 199 (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, April 2018

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

DEFINITIONS

<p>Types of Audit Opinions:</p>	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A 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. Auditor do not express an opinion on the financial position of a O/M/A 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 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>
<p>Treasury:</p>	<p>Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).</p>
<p>Vote:</p>	<p>Represents an Office/Ministry/Agency.</p>
<p>Appropriation Act:</p>	<p>Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.</p>
<p>Appropriation Account:</p>	<p>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.</p>
<p>Standard sub-division:</p>	<p>Government balance account, showing balances incurred on each account/activity.</p>
<p>Suspension:</p>	<p>Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).</p>
<p>Virement:</p>	<p>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.</p>
<p>Unauthorised Expenditure:</p>	<p>Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.</p>
<p>Underexpenditure:</p>	<p>Saving on the budget.</p>
<p>Miscellaneous Revenue:</p>	<p>All revenue collected and not having a specified revenue code.</p>
<p>Tender Board Exemptions:</p>	<p>To free from an obligation (Tender Board Regulations) to which others are subjected.</p>
<p>Commitments:</p>	<p>Funds reserved to acquire goods or services from a supplier.</p>
<p>Suspense accounts:</p>	<p>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.</p>
<p>S&T Advance Suspense Account:</p>	<p>A suspense account reflecting the outstanding subsistence and travel advances.</p>

Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe money to the State.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time specified.
Subsistence Advance:	Payment given in advance to an employee to pay for 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)
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that effects the decision of the user.

Table of Contents

1	REPORT ON THE FINANCIAL STATEMENTS.....	1
1.1	INTRODUCTION.....	1
1.2	MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.....	1
1.3	AUDITOR’S RESPONSIBILITY.....	1
1.4	KEY AUDIT FINDINGS.....	2
1.4.1	Expenditure.....	2
1.5	ACKNOWLEDGEMENT.....	4
1.6	UNQUALIFIED AUDIT OPINION.....	4
	ANNEXURE A.....	5
1.	AUDITED FINANCIAL STATEMENTS.....	5
1.1	APPROPRIATION ACCOUNT.....	5
1.2	STANDARD SUBDIVISIONS.....	7
1.3	MINISTERIAL REVENUE.....	8
1.4	NOTES TO THE FINANCIAL STATEMENTS.....	8
1.4.1	APPROPRIATION ACCOUNT: EXPLANATIONS OF VARIATIONS EXCEEDING 2% BETWEEN AUTHORIZED AND ACTUAL EXPENDITURE.....	8
1.4.2	REVENUE: EXPLANATIONS OF VARIATIONS EXCEEDING N\$ 200 000.....	11
2.	GENERAL INFORMATION.....	12
2.1	BANK ACCOUNTS.....	12
2.2	COMMISSIONS AND SPECIAL COMMITTEES.....	12
2.3	CAPITAL PROJECTS.....	13
2.4	BURSARY AND STUDY ASSISTANCE.....	14
2.5	FIXED PROPERTY BOUGHT.....	14
2.6	PROPERTY TRANSFERRED WITHIN GOVERNMENT.....	14
2.7	EXEMPTION FROM NORMAL TENDER PROCEDURES.....	15
2.8	POINTS KEEPING STOCK AND STOCK-TAKING.....	15
2.9	COST OF DAMAGES TO VEHICLES.....	15
2.10	SUSPENSE ACCOUNTS.....	15
2.11	WELLNESS.....	16
2.12	PERFORMANCE INFORMATION.....	16

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF LAND REFORM
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

1 REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This report on the accounts of the Ministry of Land Reform for the financial year ended 31 March 2017 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the State Finance Act, 1991(Act 31 of 1991), as amended.

I have audited the accompanying financial statements of the Ministry of Land Reform for the financial year ended 31 March 2017. These financial statements comprise the following statements submitted for the year then ended:

- Appropriation account;
- Standard subdivisions;
- Departmental revenue;
- Notes to financial statement; and
- General information

The appropriation account was submitted by the Accounting Officer to the Auditor-General as per Section 13 of the State Finance Act, 1991(Act 31 of 1991).

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

1.2 MANAGEMENT'S RESPONSIBILITY 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 relevant legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

1.3 AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

1.4 KEY AUDIT FINDINGS

1.4.1 Expenditure

1.4.1.1 Unauthorised expenditure

The following unauthorized 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) Two (2) main divisions were exceeded with a total amount of N\$ 207 178.04 which is unauthorised in terms of Section 6(a)(ii) of the Act.
- (ii) Although Treasury approval was obtained to utilize certain expected savings for the defrayal of excess expenditure by way of virements during the year, thirteen (13) operational subdivisions were exceeded by a total amount of N\$ 966 633.35 which is unauthorised in terms of Section 6 (a) (iii) of the Act.

It is recommended that the Accounting Officer should always review the financial position of the vote and take necessary actions to avoid over-expenditure, thus foreseen excess should be avoided by virementing foreseen savings.

Management comment

In his response on the draft report, the Accounting Officer indicated that in the future he will ensure that reconciliations are done on a monthly basis.

1.4.1.2 Underexpenditure

Treasury Instruction DC0202 stipulates that *“when drawing up draft estimates Accounting Officers and their Financial Advisers shall take note of and guard against that more funds than can reasonably be spent shall not be requested”*.

However, the total budget of the Ministry was underspent with an amount of N\$ 10 991 802.45 (2.32%), which is contrary to Treasury Instruction DC 0202. These funds could have been used for more pressing needs in the country.

It is recommended that the Accounting Officer should put measures in place to avoid underexpenditure and ensures that planned programmes are implemented and should comply with Treasury Instruction DC 0202.

Management comment

In his response on the draft report, the Accounting Officer indicated that the Ministry will put measures in place to curb the underexpenditure.

1.4.2 Miscellaneous revenue

The actual amount for miscellaneous revenue reflects a negative amount of N\$ 5 658 385.41, however, the explanation provided by the Accounting Officer does not explain the variance of N\$ 5 658 385.41.

It is recommended that the Accounting Officer should provide factual explanations why the actual miscellaneous revenue has a negative amount.

Management comment

In his response on the draft report, the Accounting Officer indicated that the Ministry of Finance did not process the import journal to debit all credits for the difference of land Tax paid over into the land acquisition development fund.

1.4.3 Suspense Accounts

Twelve (12) suspense accounts had outstanding balances at the end of the financial year, five (5) with debit balances and seven (7) with credit balances. The following suspense accounts were in excess of N\$ 100 000:

Details	Balance as at 31 March 2017 Debit/(Credit)
	N\$
Receipt Suspense	(148 581.32)
S & T Advance Suspense Account	291 589.48
Bills Payable	(890 260.19)
Taxcode	(601 454.35)

The Accounting Officer is commended on reconciling the suspense accounts, however it is recommended that the Accounting Officer should put more efforts on reducing the balances before the closing of the books.

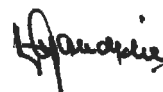
1.5 ACKNOWLEDGEMENT

The assistance and co-operation of the management and staff of the Ministry of Land Reform during the audit is appreciated.

1.6 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Ministry of Land Reform, for the financial year ended 31 March 2017 in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Financial Act, 1991(Act 31 of 1991).

In my opinion, the financial statements present fairly, in all material respects the financial position of the Ministry of Land Reform as at 31 March 2017, and their financial performance and their receipts and payments for the year then ended in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, 1991 (Act 31 of 1991).



WINDHOEK, April 2018

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

Service	2016/2017					2015/2016
	N\$	Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent-age	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	6 265 000.00					
Plus: Virement	4 620 800.00					
Less: Suspension	(485 233.73)	10 400 566.27	9 432 536.26	968 030.01	9.31	6 336 217.54
02. Administration:						
Original budget	64 533 000.00					
Less: Virement	(10 964 091.00)					
Less: Suspension	(8 343 226.11)	45 225 682.89	43 076 181.45	2 149 501.44	4.75	49 158 913.50
03. Resettlement:						
Original budget	10 768 000.00					
Plus: Virement	197 848.00					
Less: Suspension	(2 440 744.02)	8 525 103.98	7 210 010.30	1 315 093.68	15.43	9 989 882.72
04. Valuation and Estate Management:						
Original budget	16 143 000.00					
Plus: Virement	899 181.00					
Less: Suspension	(735 769.00)	16 306 412.00	15 544 450.27	761 961.73	4.67	14 833 413.60
05. Land Reform:						
Original budget	374 043 000.00					
Plus: Virement	162 995.00					
Less: Suspension	(90 409 966.46)	283 796 028.54	281 290 257.38	2 505 771.16	0.88	439 625 699.04
06. Survey and Mapping:						
Original Budget	63 393 000 .00					
Less: Virement	(590 971.00)					
Less: Suspension	(31 250 745.27)	31 551 274.73	30 387 173.25	1 164 101.48	3.69	34 780 564.86
Original budget	15 500 000.00					
Plus: Virement	91 149.00					
Less: Suspension	(587 260.25)	15 003 888.75	13 574 901.02	1 428 987.73	9.52	13 871 265.51

ANNEXURE A (continued)

Service	2016/2017				2015/2016
	Authorized expenditure N\$	Actual expenditure N\$	Variations		Actual expenditure N\$
			Under- expenditure/ (Excess) N\$	Percent- age %	
08. Planning, Research Training and Information Services:					
Original budget	10 402 000.00				
Plus: Virement	114 413.00				
Less: Suspension	(558 207.18)	9 958 205.82	10 098 158.21	(139 952.39)	(1.41)
					9 525 252.72
09. Regional Offices:					
Original budget	46 555 000.00				
Plus: Virement	2 703 666.00				
Less: Suspension	(3 132 457.81)	46 126 208.19	46 193 433.84	(67 225.65)	(0.15)
					49 700 041.14
10. Information Technology:					
Original budget	5 425 000.00				
Plus: Virement	2 765 010.00				
Less: Suspension	(322 131.31)	7 867 878.69	6 962 345.43	905 533.26	11.51
					3 508 475.24
GRAND TOTAL	474 761 249.86	463 769 447.41	10 991 802.45	2.32	631 329 725.87

ANNEXURE A

1.2 Standard subdivisions

Subdivision	2016/2017			2015/2016
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	126 442 536.95	120 393 565.54	6 048 971.41	125 748 414.78
002. Employer's contribution to GIPF and M.P.O.O.B.PF	12 343 777.00	12 194 090.13	149 686.87	13 565 574.70
003. Other conditions of service	3 388 802.00	3 212 076.90	176 725.10	984 673.61
005. Employers contribution to the Social Security	5 317.00	1 466.98	3 850.02	891.56
Total	142 180 432.95	135 801 199.55	6 379 233.40	140 299 554.65
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	7 839 078.19	7 335 293.28	503 784.91	7 858 408.74
022. Materials and supplies	3 095 500.00	2 935 977.08	159 522.92	2 042 689.06
023. Transport	9 764 925.00	8 832 834.91	932 090.09	6 346 464.94
024. Utilities	14 289 788.00	13 436 112.29	853 675.71	9 646 057.90
025. Maintenance expenses	3 997 500.00	3 948 557.85	48 942.15	298 729.51
026. Property rental and related charges	233 000.00	233 000.00	-	501 370.91
027. Other services and expenses	5 408 618.85	5 320 925.44	87 693.41	5 437 988.70
Total	44 628 410.04	42 042 700.85	2 585 709.19	32 131 709.76
Current expenditure: Membership fees and subscriptions				
041. International	929 585.00	928 569.85	1 015.15	33 302.80
042. Domestic	30 000.00	28 709.83	1 290.17	-
Total:	959 585.00	957 279.68	2 305.32	33 302.80
Total: Current expenditure	187 768 427.99	178 801 180.08	8 967 247.91	172 464 567.21
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	768 660.00	782 249.68	(13 589.68)	1 033 029.40
Total:	768 660.00	782 249.68	(13 589.68)	1 033 029.40
Total: Operational expenditure	188 537 087.99	179 583 429.76	8 953 658.23	173 497 596.61
Development:				
Capital expenditure: Goods and other services				
022. Materials and supplies	628 000.00	391 836.33	236 163.67	1 048 274.66
027. Other services and expenses	16 406 242.09	15 792 031.08	614 211.01	24 160 181.45
Total	17 034 242.09	16 183 867.41	850 374.68	25 208 456.11

ANNEXURE A (continued)

Subdivision	2016/17			2015/16
	Authorised expenditure	Actual expenditure	Under expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	936 937.00	662 069.90	274 867.10	678 099.46
103. Operational equipment, machinery and plants	606 000.00	453 552.32	152 447.68	1 159 688.13
105. Feasibility studies, design and supervision	2 803 949.84	2 477 222.50	326 727.34	5 933 237.41
107. Construction, renovation and improvement	13 570 000.00	13 136 272.61	433 727.39	19 078 295.15
133. Public and departmental enterprises and Private Industries	251 273 032.91	251 273 032.19	-	405 774 353.00
Total	269 189 919.75	268 002 150.24	1 187 769.51	432 623 673.15
Total: Development expenditure	286 224 161.84	284 186 017.65	2 038 144.19	457 832 129.26
GRAND TOTAL	474 761 249.86	463 769 447.41	10 991 802.45	631 329 725.87

1.3 Ministerial revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2016/2017	More/(Less) than estimated	Actual revenue 2015/2016
	N\$	N\$	N\$	N\$
Permission to occupy fees	-	-	-	40.50
Unclaimed Cheques	-	50.00	50.00	-
Miscellaneous	500 000	(5 658 385.41)	(6 158 385.41)	20 480 529.92
Sale of Maps	600 000	465 965.89	(134 034.11)	195 377.00
Deeds Fees	6 000 000	7 454 558.24	1 454 558.24	7 694 910.65
Investigation Fees: Survey General	150 000	962 045.00	812 045.00	582 657.00
Total	7 250 000	3 224 233.72	(4 025 766.28)	28 953 515.07

1.4 NOTES TO THE FINANCIAL STATEMENTS

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

Underexpenditure

Main division 01: Office of the Minister (N\$ 968 030.01 – 9.31%)

The main division was underspent with 9.31% due to the following:

The underspending of N\$ 200 986.06 under remuneration was due to the vacancy of the Messenger, Grade 15, which was only filled in March 2017 as well as the contract of the Special Advisor to the Minister which ended in April 2016, however budget provisions were made for the whole financial year. Funds viremented was more than expensed. This also resulted in underexpenditure of N\$ 44 239.27 on Employers Contribution to GIPF/M.P.O.O.B.P.F.

Underexpenditure on daily subsistence allowance was caused by planned activities that could not be undertaken by the Political Office Bearers. Orders were cancelled at the closing of the financial year because invoices were not submitted on time for payment, therefore the underexpenditure of N\$ 29 283.99 on materials and supplies. The underexpenditure of N\$ 643 340.87 on transport was due to outstanding invoices from the Government Garage which were submitted late and could not be included when journals were processed before the closing of the general ledger.

Main division 02: Administration (N\$ 2 149 501.44 – 4.75%)

The underspending of 4.75% was attributed to the following:

Remuneration, under spent with N\$ 533 483.05 due to staff turnover and vacancies which could not be filled during the year under review.

The underexpenditure on materials and supplies, amounting to N\$ 24 998.43 contributed to funds that could only be released in February 2017 due to insufficient cash flow therefore there was no time to procure stationeries and computer supplies at the closing of the financial year. The underexpenditure on utilities, of N\$ 853 675.71 was due to the late submission of invoices by some suppliers and when the Ministry submitted the vouchers to Ministry of Finance for payment it was referred back due to the cut off date for payments. Other services and expenses closed with underexpenditure of N\$ 23 800.09 due to the slow release of funds because of the cash flow on the Treasury Authorization Warrant (TAW).

The underexpenditure of N\$ 70 293.67 on Project 018533, Renovations to the Deeds and Surveyor General's Offices contributed to insufficient funds to implement all planned activities such as installing of air conditioners and UPS power upgrading in the server room, while the underexpenditure of N\$ 16 953.31 on Project 018652, on improvement of offices and Assigned Officials Houses was a small balance after all expenditure and this balance went back to Treasury as it could not cover any maintenance related activity.

The underexpenditure amounting to N\$ 150 497.12 and N\$ 142 534.72 on Project 018843, Upgrading of the Ministerial Regional Offices in Eenhana was caused by the delays in the submission of certified invoices from Department of Works for the consultants who conducted the Documentation Phase. The underexpenditure was also caused by the Moratorium from the Ministry of Finance to freeze all Government Tenders, hence this project could not go to Tender Board as was planned.

An underexpenditure of N\$ 201 509.26 on Project number 018844, Upgrading of the Ministerial Regional office in Outapi was caused by the delays in the submission of certified invoices from Department of Works for the consultants who conducted the Documentation Phase. The underexpenditure was also caused by the Moratorium from the Ministry of Finance to freeze all Government Tenders, hence this project could not go to Tender Board as was planned.

Main division 03: Resettlement (N\$ 1 315 093.68 – 15.43%)

The underspending of 15.43% under this main division attributed to the following:

Remuneration underspent with N\$ 668 495.64 and Government Institutions Pension Fund (GIPF) with N\$ 25 889.56 due to staff turnover and vacancies which could not be filled during the year under review because they were not funded in the 2017/2018 financial year as a result of budget cuts.

The underexpenditure of N\$ 103 783.86 on travel and subsistence expenses (DSA) resulted from most of the planned activities being carried out by the Regional Offices. The underexpenditure of N\$ 10 822.65 on other services and expenses is due to outstanding invoices which were submitted late at the closing of the financial year.

Main division 04: Valuation and Estate Management (N\$ 761 961.73 – 4.67%)

The underspending of 4.67% under this Main Division can be attributed to the following:

Remuneration, underspent with N\$ 745 662.79 due to staff turnover and vacancies which could not be filled during the year under review because they were not funded in the 2017/2018 financial year as a result of budget cuts. Funds viremented were not sufficient to cover the underexpenditure. Funds were viremented in March 2017, however after the closing of the year the Ministry only realized the underspending.

The underexpenditure of N\$ 162 430.46 on DSA, was caused by the slow release of funds on the TAW, therefore trips undertaken for the valuation of farms was paid from the Land Acquisition and Development Fund.

The underexpenditure on materials and supplies amounting to N\$ 28 661.63 contributed to funds that could only be released in February 2017 due to insufficient cash flow, therefore time was short to procure stationeries and computer supplies. Other services and expenses overspent with N\$ 56 156.00, funds were committed while the external virement was in process.

Main division 06: Survey and Mapping (N\$ 1 164 101.48 – 3.69%)

This main division has a variance of 3.69%. This can be attributed to the following:

Remuneration, underspent with N\$ 1 153 647.00 and GIPF with N\$ 78 489.78 due to staff turnover and vacancies which could not be filled during the year under review because they were not funded in the 2017/2018 financial year as a result of budget cuts. The underexpenditure of N\$ 304 696.03 on other conditions of service was due to leave gratuities paid that was less than budgeted.

The underexpenditure of N\$ 29 007.45 on subsistence and travelling expenses was because of the field activities, e.g. Triunion Point was paid from the Land Acquisition and Development Fund due to insufficient cash flow funds. The underexpenditure on materials and supplies, amounting to N\$ 29 898.29 and other services and expenses of N\$ 29 637.50 contributed to the slow release of funds due to the insufficient cash flow on the TAW.

Main division 07: Deeds Office (N\$ 1 428 987.73 – 9.52%)

The main division has a variance of 9.52%. This can be attributed to the following:

Remuneration underspent with N\$ 1 176 475.99 while GIPF underspent with N\$ 158 879 due to staff turnover and vacancies which could not be filled during the year because they were not funded in the 2017/2018 financial year as a result of budget cuts. The underexpenditure of N\$ 48 879.60 on other conditions of service was due to leave gratuities paid that was less than budgeted.

The underexpenditure of N\$ 53 609.66 on DSA, was because fewer trips were undertaken than anticipated towards the closing of the financial year. The underexpenditure of N\$ 134 321.07 on materials and supplies, maintenance of N\$ 12 981.18 and other services and expenses amounting to N\$ 12 974.85 was because of the slow release of funds due to insufficient cash flow on the TAW.

Main division 10: Information Technology (N\$ 905 533.26 – 11.51%)

This main division has an underexpenditure variation of 11.51% which can be attributed to the following:

Remuneration underspent with N\$ 775 239.21 while GIPF with N\$ 96 352.72 due to staff turnover and vacancies which could not be filled during the year under review because they were not funded in the 2017/2018 financial year as a result of budget cuts.

The underexpenditure of N\$ 10 952.20 on maintenance expenses was the balance after the payment of licences for the IT software and systems as well as the repairing of computer equipment.

1.4.2 Revenue: Explanations of variations exceeding N\$ 200 000 between estimated and actual revenue.

Deeds Fees: (N\$ 1 454 558.24)

The increase volumes in property registrations led to an increase in revenue.

Investigation Fees: Survey General (N\$ 812 045.00)

An increase of tariff for examination fees was gazetted leading to an increase in revenue. The tariff had not been changed for a number of years.

2. GENERAL INFORMATION

2.1 Bank accounts

The Accounting Officer reported ten (10) bank accounts with the following closing balances:

Name of account	Banking Institution	Balance at 31 March 2017
		N\$
Kavango Communal Land Board	Standard Bank	2.58
Hardap Communal Land Board	Bank Windhoek	19 587.67
Erong Communal Land Board	Standard Bank	409.70
Karas Communal Land Board	Standard Bank	11 794.24
Kunene Communal Land Board	Bank Windhoek	4 260.08
Ohangwena Communal Land Board	First National Bank	27.21
Omusati Communal Land Board	First National Bank	68.27
Oshikoto Communal Land Board	First National Bank	17 389.20
Oshana Communal Land Board	Nedbank	490.60
Otjozondjupa Communal Land Board	Standard Bank	3 670.15

2.2 Commissions and Special Committees

The Accounting Officer reported that during the financial year under review the Ministry paid sitting allowances, transport, catering expenses, annual report expenses, training and workshops for Commissions and Special Committees totalling to N\$ 6 298 124.97.

2.3 Capital projects

The following were development projects of the Ministry for the financial year.

Project name	Approved total budget	Total expenditure as at 31/03/2016	Approved appropriation 2016/2017	Actual expenditure 2016/17	Total expenditure for 31/03/2017	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Land Purchase Programme Ongoing Resettlement Sub-Programme	3 006 528 000	1 506 486 301.94	251 273 032.91	251 273 032.91	1 757 759 334.85	31/03/2020
Flexible Land Tenure System	136 650 000	73 207 193.25	3 146 000.00	2 738 235.87	75 945 429.12	31/03/2019
Development of Communal Areas	103 058 000	7 487 810.85	702 494.00	673 175.94	8 160 986.79	31/03/2023
Intergrated Regional Land Use Planning Nationwide	524 491 000	100 165 003.94	7 596 473.09	7 580 080.47	107 745 084.41	31/03/2018
Integrated Geodesy	61 744 000	494 978.81	1 243 000.00	945 438.31	1 440 417.12	31/03/2020
Delimitation of Namibian Continental Shelf	83 658 000	25 567 677.93	2 126 212.00	2 126 212.00	27 693 889.93	31/03/2020
Development of National Fundamental Data Sets	80 000 000	31 739 545.79	254 000.00	208 851.82	31 948 397.61	31/03/2019
Construction of the Ministerial Headquarters in Windhoek	239 603 000	64 825 501.99	10 000 000.00	9 518 494.87	74 343 996.86	31/03/2019
Construction of the Ministerial Regional Office in Opuwo	109 210 000	129 086 983.79	405 000.00	403 746.78	129 490 730.57	31/03/2018
Construction of the Ministerial Regional Office in Rundu	36 976 000	24 064 802.98	1 057 000.00	1 056 970.13	25 121 773.11	31/03/2019
	55 303 000	26 747 703.31	3 208 000.00	3 207 998.84	29 955 702.15	31/03/2019

Project name	Approved total budget	Total expenditure as at 31/03/2016	Approved appropriation 2016/2017	Actual expenditure 2016/2017	Total expenditure for 31/03/2017	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	N\$
Construction of the Ministerial Regional Office in Katima Mulilo	234 078 000	7 279 107.54	1 500 000.00	1 498 817.05	8 777 923.59	31/03/2018
Construction of the Ministerial Regional Office in Omuthiya	49 365 000	500 000.00	500 000.00	499 999.40	999 999.40	31/03/2019
Construction of the Ministerial Regional Office in Eenhana	38 975 000	499 114.19	600 000.00	306 968.16	806 082.35	31/03/2019
Improvement of Offices and Assigned Official's Houses	17 038 000	2 551 424.14	585 000.00	568 046.69	3 119 470.83	31/03/2019
Renovations to the Deeds Office and Office of the Surveyor General	29 116 000	8 728 199.39	727 949.84	657 655.87	9 385 855.26	31/03/2019
Construction of the Ministerial Regional Office in Outapi	43 700 000	415 409.27	1 300 000.00	922 292.54	1 337 701.81	31/03/2019
Total	4 849 493 000	2 009 846 758.11	286 224 161.84	284 186 017.65	2 294 032 775.76	

2.4 Bursary and study assistance

During the financial year under review, the Ministry provided study assistance amounting to N\$ 637 364.36 for twenty three (23) staff members to pursue their studies at various institutions of higher learning.

2.5 Fixed property bought

During the financial year under review, the Ministry bought twenty-two (22) farms worth N\$ 204 668 504.09.

2.6 Property transferred within government

During the financial year under review, the Ministry transferred furniture and mobile devices within the government worth N\$ 48 392.93, with the necessary Treasury authorization.

2.7 Exemption from normal Tender procedures

During the financial year under review, the Ministry was granted an approval for the procurement of goods and services through exemptions from normal Tender Board procedures totalling an amount of N\$ 386 391 522 as follows:

Exemption number	Description	Approved amount	Actual expenditure	Difference
		N\$	N\$	N\$
E1/16-1/2016	Annual exemption	39 515 022.00	31 471 898.93	8 043 123.07
E1/16-2/2016	Consultants to review the National Resettlement Policy, 2001	759 000.00	417 450.00	341 550.00
E1/16-3/2016	Annual exemption for Development Budget	327 000 000.00	251 634 896.91	75 365 103.09
E1/16-4/2016	Annual exemption for items 032 and 037 in	17 300 000.00	10 873 358.60	6 426 641.40
E1/16-5/2016	Consultants - National Study on Land Demand in Namibia	1 300 000.00	-	1 300 000.00
E1/16-6/2016	Supply, delivery and installation of the power generator for the Ministerial Regional Office	517 500.00	500 922.75	16577.25
Total		386 391 522.00	294 898 527.19	91 492 994.81

2.8 Points keeping stock and stock-taking

The Accounting Officer reported that stock-taking was conducted at all stock points except for the Directorate of Land Reform, Directorate of Deeds and the Ministerial Headquarters. Furthermore, during the stock-taking a total surplus of N\$ 266 986.00, a deficiency of N\$ 125 175.65 and N\$ 380 752.95 of obsolete or worn out stock were found.

2.9 Cost of damages to vehicles

The Accounting Officer reported that seventeen (17) vehicles were involved in accidents with an estimated repair cost of N\$ 411 140.37.

2.10 Suspense accounts

The following Suspense Account had twelve (12) balances of which five (5) had debit balances and seven (7) had credit balances as at 31 March 2017:

Details	Balance Debit/(Credit)
	N\$
Receipt suspense	(148 581.32)
RD Cheques	78 180.75
S&T advance suspense account	291 589.48
Rejection account	(51 821.16)
Bills Payable	(890 260.19)
Electronic Fund Transfer Clearing Account (EFT)	(94 162.46)
Social Security	1 431.11
Tax code	(601 454.35)
Pension Funds: GIPF	(81 349.27)
First National Bank (Windhoek)	2 010.00
Debt Establishment	(5 202.65)
First National Bank-Build Together	2 741.20

2.11 Wellness

During the financial year under review, the Ministry spent N\$ 37 859 on wellness related activities.

2.12 Performance Information

The Accounting Officer reported that the Ministry has a Strategic Plan in place and Performance agreements were signed during the year under review.

WINDHOEK, 20-10-2017

**PETER AMUTENYA
ACCOUNTING OFFICER**