



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF INDUSTRIALIZATION,
TRADE & SME DEVELOPMENT**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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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 Industrialisation, Trade & SME Development for the financial year ended 31 March 2016 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, April 2017

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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 without or suspend any amount in an estimate of expenditure).
Virement:	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Underexpenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Tender Board Exemptions:	To free from an obligation (Tender Board Regulations) to which others are subjected.
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)

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS
OF THE MINISTRY OF INDUSTRIALISATION, TRADE & SME DEVELOPMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This report on the accounts of the Ministry of Industrialisation, Trade and SME Development for the financial year ended 31 March 2016 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 Industrialisation, Trade and SME Development and for the year ended 31 March 2016. These financial statements comprise the following statements submitted for the year then ended:

- Appropriation account;
- Standard subdivisions;
- Departmental revenue;
- Notes to the financial statements; and
- General information.

The appropriation account was submitted to the Auditor-General in terms of Section 13 of the State Finance Act, 1991.

The financial statements, notes to the financial statements and general information supplied 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 & 13 of the State Finance Act, 1991 (Act 31 of 1991) and legislation, and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatements, 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 of 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 misstatements.

Powers and duties

Section 25(1)(c) of the State Finance Act, 1991 (Act 31 of 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 (Act 31 of 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 misstatements 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 Unauthorised expenditure

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

Although Treasury authorisation was obtained to utilise certain expected saving for the defrayal of expenditure by way of virements during the year, one (1) operational subdivision was exceeded with a total amount of N\$ 38 088.07; while one (1) development subdivision was exceeded with an amount of N\$ 25 000 000. These amounts are unauthorized in terms of Section 6(a)(iii) of the State Finance Act, 1991 (Act 31 of 1991).

It is recommended that the Accounting Officer should monitor the budget regularly in order to ensure that funds are available before expenditure is incurred.

Management comment

In his response on the draft report, the Accounting Officer indicated that it was an oversight for the Ministry to reconcile the account and the Ministry will ensure that it is done timeously.

1.4.2 Underexpenditure

The total budget of the Ministry was underspent with an amount of N\$ 216 552 360.12 (26%) which is contrary to Treasury Instruction DC 0202.

It is recommended that the Accounting Officer should put measures in place to avoid underexpenditure and to ensure that planned projects are implemented and comply with the Treasury Instruction DC 0202 which stipulates that when drawing up draft estimates, Accounting Officers and their Financial Advisors shall take note of and guard against requesting more funds than can reasonably be spent.

Management comment

In his response on the draft report, the Accounting Officer indicated that the Ministry requested the Ministry of Finance to transfer the money but the Ministry of Finance indicated that they are not in a position to transfer it. Therefore, the amount which remained unspent cannot be ascribed to the actions or inactions of the Ministry.

1.4.3 Bursary and study assistance

Chapter C.II/III 1.1 of the Public Service Staff Rules (PSSR) on Training and Development states that staff members who have been supported to study towards a professional and qualifying training are subject to a bonding period stated in Chapter C.II/III 2.1 of PSSR on Training and Development.

However, the Accounting Officer did not provide agreements between the Ministry and eight (8) staff members. Failure to have written agreements bonding staff members to the Ministry as stated in the PSSR can result in loss of expertise and poor knowledge transfer, as well as loss of resources.

The Accounting Officer should ensure that all staff members enter into a bonding agreement with the Ministry prior to obtaining any study assistance as required by Chapter C.II/III 1.1 of the PSSR.

Management comment

In his response on the draft report, the Accounting Officer indicated that the Ministry regrets that bursary holders did not sign contracts which are contrary to the existing policy.

1.4.4 Capital projects

Treasury Instruction BB0101(i) states that an Accounting Officer who under Section 8 of the State Finance Act, is charged with the general financial administration of a vote and State moneys under his control, shall be responsible for the accuracy of the accounting records, accounts and other financial documents under his control.

Differences in the total approved appropriation for the capital projects in the standard subdivision and general ledger have been observed as follows:

Amount reflected in Standard subdivision (GLR027)	Amount reflected in General ledger (GL004)	Difference
330 335 000	N\$ 290 335 000	N\$ 40 000 000

The Accounting Officer should explain the Difference.

1.5 ACKNOWLEDGMENT

The co-operation and assistance of the management and staff of the Ministry of Industrialisation, Trade and SME Development during the audit is appreciated.

1.6 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Ministry of Industrialisation, Trade and SME Development for the financial year ended 31 March 2016 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).

In my opinion, the financial statements present fairly, in all material respects the financial position of the Ministry of Industrialisation, Trade and SME Development as at 31 March 2016, and their financial performance and its 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).

2. ADDITIONAL REPORTING RESPONSIBILITIES

2.1 EMPHASIS OF MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of financial statements, as disclosed by the Ministry of Industrialisation, Trade and SME Development in the financial statements.

2.1.1 Unauthorised expenditure

The Accounting Officer reported that the Ministry renewed service contracts with ten (10) Administrative Assistants without a recommendation from the Public Service Commission (PSC) after the expiration of their initial contracts on the 30th November 2015, which resulted in unauthorised expenditure to the amount of N\$ 246 619.04 which is unauthorised in terms of section 11(1)(a)(i) and (iv) of the State Finance Act, 1991.

2.1.2 Vehicles

Section 13(1)(b) of the State Finance Act, 1991 states that the Ministry should disclose expenditure expended during the financial period. Such expenditure should then be disclosed in the statements provided to the Auditor-General in terms of section 12(1) of the State Finance Act, 1991.

The Accounting Officer reported that no vehicles were purchased during the financial year under review, however under the subdivision 102 "Vehicles" an amount of N\$ 400 715.68 was reported.

The Accounting Officer should ensure that the expenditure is charged to the correct account code.

Management comment

In his response on the draft report, the Accounting Officer indicated that he agrees that no vehicle was purchased, however payment was wrongly made and no journal could be passed to rectify the wrong payment.

WINDHOEK, April 2017



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2015/2016						2014/2015
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Minister:						
Original budget	7 552 000					
Plus: Virement	1 620 000					
Less: Suspension	(920 000)	8 252 000	6 300 443.33	1 951 556.67	23.65	9 708 185.00
02. Administration:						
Original budget	85 827 000					
Less: Virement	(4 803 000)					
Less: Suspension	(10 372 860)	70 651 140	65 005 770.90	5 645 369.10	7.99	68 014 373.29
03. International Trade:						
Original budget	153 370 000					
Less: Suspension	(36 400 000)	116 970 000	115 229 045.85	1 740 954.15	1.49	180 170 669.15
04. Industrial Development:						
Original budget	565 628 000					
Plus: Virement	36 663 325					
Less: Suspension	(137 670 325)	464 621 000	277 846 453.67	186 774 546.33	40.20	603 345 293.01
05. Investment Centre:						
Original budget	47 274 000					
Plus: Virement	7 415 000					
Less: Suspension	(200 000)	54 489 000	50 175 516.84	4 313 483.16	7.92	49 584 074.69
06. Commerce:						
Original budget	130 419 000					
Plus: Virement	1 480 000					
Less: Suspension	(13 967 140)	117 931 860	101 805 409.29	16 126 450.71	13.67	86 692 578.17
Totals		832 915 000	616 362 639.88	216 552 360.12	26.00	997 515 173.31

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2015/2016			2014/2015
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	73 634 000	69 109 837.29	4 524 162.71	67 966 828.84
002. Employer's contribution to GIPF and M.P.O.O.B.P.F.	9 873 000	8 545 556.89	1 327 443.11	7 640 165.69
003. Other condition of services	654 000	507 450.82	146 549.18	10 527 862.77
005. Employers contribution to the social security	252 000	(68.26)	252 068.26	-
Total	84 413 000	78 162 776.74	6 250 223.26	86 134 857.30
Current expenditure: Goods and other services				
021. Travel and subsistence allowances	15 104 000	12 182 964.51	2 921 035.49	15 763 860.96
022. Materials and supplies	2 930 000	2 869 991.85	60 008.15	2 932 516.78
023. Transport	4 200 000	3 897 582.24	302 417.76	4 629 324.97
024. Utilities	13 950 000	13 332 109.82	617 890.18	9 582 761.83
025. Maintenance expenses	2 950 000	2 239 184.59	710 815.41	2 556 297.97
026. Property rental and related charges	4 000 000	3 946 840.04	53 159.96	3 522 127.00
027. Other services and expenses	98 592 140	81 939 108.95	16 653 031.05	122 926 475.42
Total	141 726 140	120 407 782.00	21 318 358.00	161 913 364.93
Current expenditure: Membership fees and subscriptions				
041. International	20 424 000	20 461 781.18	(37 781.18)	20 359 912.99
042. Domestic	-	-	-	23 999.98
Total:	20 424 000	20 461 781.18	(37 781.18)	20 383 912.97
Current expenditure: Subsidies grants and other transfers				
044. Individual and non-profit organisations	-	-	-	599 582.16
045. Public and departmental enterprises and private industries	252 546 860	88 347 850.35	164 199 009.65	311 011 280.63
Total	252 546 860	88 347 850.35	164 199 009.65	311 610 862.79
Total: Current expenditure	499 110 000	307 380 190.27	191 729 809.73	580 042 997.99
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	2 870 000	2 259 086.81	610 913.19	6 426 133.97
102. Vehicles	600 000	400 715.68	199 284.32	3 074 079.27
Total:	3 470 000	2 659 802.49	810 197.51	9 500 213.24
Total: Operational expenditure	502 580 000	310 039 992.76	192 540 007.24	589 543 211.23
Development:				
Capital expenditure: Goods and other services				
022. Materials and supplies	-	-	-	4 000 000.00
027. Other services and expenses	105 500 000	90 500 000.00	15 000 000.00	2 000 000.00
Total	105 500 000	90 500 000.00	15 000 000.00	6 000 000.00

ANNEXURE A (continued)

Subdivision	2015/2016			2014/2015
	Authorised expenditure N\$	Actual expenditure N\$	Under expenditure/ (Excess) N\$	Actual expenditure N\$
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	-	-	-	500 000.00
102. Vehicles	-	-	-	500 000.00
103. Operational equipment, machinery and plants	-	-	-	4 000 000.00
105. Feasibility studies design and supervision	5 500 000	4 996 037.29	503 962.71	(12 795.00)
106. Purchase of land and intangible assets	1 000 000	719 422.16	280 577.84	1 000 000.00
107. Construction, renovation and improvement	211 335 000	203 175 947.12	8 159 052.88	92 800 000.00
Total Capital Transfers	217 835 000	208 891 406.57	8 943 593.43	98 787 205.00
131. Government organization	-	-	-	255 242 758.94
134. Abroad	7 000 000	6 931 240.55	68 759.45	47 941 998.14
Total	7 000 000	6 931 240.55	68 759.45	303 184 757.08
Total: Development expenditure	330 335 000	306 322 647.12	24 012 352.88	407 971 962.08
GRAND TOTAL	832 915 000	616 362 639.88	216 552 360.12	997 515 173.31

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate N\$	Actual revenue 2015/2016 N\$	More/(Less) than estimated N\$	Actual revenue 2014/2015 N\$
Miscellaneous	-	571 112.56	571 112.56	(77 129.13)
Total	-	571 112.56	571 112.56	(77 129.13)

1.4 Notes to the financial statements

1.4.1 Appropriation account: Explanations of variations exceeding 2% between the amounts voted and the actual expenditure

Underexpenditure

Main Division 01 - Office of the Minister (N\$ 1 951 556.97 – 23.65%)

The underexpenditure was realised as a result of the vacant position of a Private Secretary of the Honourable Deputy Minister which took a while to be filled.

A substantial amount was budgeted under travel and subsistence allowance based on aggressive campaign to attract potential investment in line with the Ministry's Strategic Plan. However due to directives to curb on foreign trips, only critical trips were undertaken. In the same vain, a number of the planned trips and activities were delegated to senior staff members to attend on behalf of the Hon. Minister and the Deputy Minister due to other commitments resulting in underexpenditure.

Main Division 02 – Administration (N\$ 5 645 396.10 – 7.99%)

The underexpenditure under the Personnel Expenditure subdivision was the result of two senior vacant posts of Chief Editor and that of the Deputy Director of Information Technology. These posts could not be filled due to skills scarcity and other related technical difficulties in securing the ideal candidates.

The Ministry had experienced a change in two of its most senior administrative heads and had to reorganise and reprioritize its programmes and activities which resulted in some trips being cancelled and only critical trips were undertaken.

There is an agreement between the Ministries/Offices housed in the Brendan Simbwaye Square regarding monthly payment of municipal services (water, electricity and property assessment rates) for Blocks A, B and C that this Ministry pays municipal services and claim reimbursement through debit acceptance. The three buildings have a centralized meter for water and electricity registered in the name of this Ministry.

Unfortunately, in most instances, when these debit acceptances were presented to Treasury, they could not be processed due to unavailability of funds on their votes. This state of affairs has resulted in the Ministry not paying its due in time resulting in the City of Windhoek threatening to disconnect the services. As a result of the above difficulties, adequate provision was made by this Ministry to cover the costs.

No major maintenance activities were carried out as anticipated on the aging Ministerial Headquarters, especially on the unreliable elevators resulting in underexpenditure.

Provision was made to acquire a four by four Van for the Ministry's Regional Office; unfortunately no suitable vehicle could be secured within the budgeted price range.

Main Division 04 – Industrial Development (N\$ 186 774 546.33 – 40.20%)

Amount of N\$ 155 million was budgeted for the capitalisation of the SME Bank. This Ministry had on two occasions requested Treasury to transfer these funds to the SME Bank; the Ministry of Finance took a decision not to transfer resulting in this massive underexpenditure.

An amount of N\$ 803 014 earmarked for the Special Industrialisation Incentive could also not be utilised due to misunderstanding with the appointed service provider which resulted in the cancellation of the contract.

Funds were earmarked for the Pharmaceutical plant to be constructed at Okahandja which is a joint venture between the Republic of Namibia and the Republic of Cuba. There had been delays in the finalization of the concept design and other related technical details due to the complexity of this project in terms of technological advancement and equipment required for this massive project. The Memorandum of Understanding (MOU) with the Cuban counterparts was only signed in September 2016.

The Ministry experienced high staff turnover due to promotions and resignations. It is unfortunate that Government has no staff retention policy in place and this exodus of experienced and qualified staff will continue unabated as detriment to Government.

A number of the planned trips and activities were cancelled due to re-prioritization and only statutory and important trips were undertaken.

An amount of N\$ 8 347 959.41 was returned to Treasury (State Account) from the Entrepreneurship Development Programme. This programme deals with the acquisition of production machinery and equipment for the Small and Medium Business Enterprises commonly known as Equipment Aid Scheme.

The challenge with the acquisitions of equipment and machinery, especially from countries outside the borders of Namibia, is that most companies require upfront payment of up to fifty per cent (50%) of the total cost immediately which is risky and in contravention with the State Finance Act, 1991, and Treasury Instructions.

These challenges were discussed at several platforms with Treasury and advice was sought from the Government Attorney on the utilization of the letter of credit. To date the Ministry is still waiting for that advice.

The same problem has been experienced under the Pilot Industrial Upgrading and Modernization Programme of which N\$ 4 612 553.01 could not be utilized.

Main Division 05 – Investment Centre (N\$ 4 313 483.16 – 7.92%)

This Ministry has four senior staff members seconded to the Office of the President and Vice President respectively. The arrangement is that this Ministry pays their additional added conditions of service and benefits and claims reimbursement through the debit acceptance. The challenge of this arrangement is that in most cases budget allocation provided by the respective Offices to be debited against those expenses are exhausted and journals could not be processed. This challenge has forced this Ministry to make adequate budgetary provision on its budget to avoid over commitment since Treasury does not allow O/M/As to process salary transactions when subdivisions are in a minus.

The recalling of the Commercial Counsellor from the Republic of India has also contributed massively to the underexpenditure as there were no operational running costs transferred; although it was anticipated that the replacement was to be effected soonest, therefore no virementation could be affected.

There were two staff members who resigned, while one staff member was promoted to join the Ministry of Finance.

The Ministry has been directed by State House to be part of the official delegation of His Excellency the President outside the country which covered trade and investments. Since it was impractical to get the impending presidential calendar/trips, adequate provision was made under the two subdivisions. In the same vain, it was difficult to affect virements as per the reason stated above.

The Ministry was supposed to open a Commercial Office in China and provision was made for the acquisition of office furniture and equipment. The decision was rescinded close to the end of the financial year, making it difficult to approach Treasury for possible virementation.

Main Division 06 – Internal Trade (N\$ 16 126 450.71 – 13.67%)

Two staff members left employment of the Ministry for greener pastures resulting in underexpenditure in Personnel Expenditure and Subsistence and Travelling Allowances.

An amount of two million was allocated under the Other Services and Expenses for consultancy and printing of the business registration forms which are given to the general public when applying for business registration at no cost. This function was transferred to the Business Intellectual Property Authority (BIPA) which resulted in an underexpenditure.

The underexpenditure under the Public and Departmental Enterprises and Private Industries subdivision was capital project funds budgeted for the construction of Business Intellectual Property Authority Headquarters. The Ministry of Finance has advised/directed O/M/As to halt all constructions of offices from the Appropriation and encourage O/M/As to take the root of Public Private Partnership (PPP) due to the decline in State Revenue and the slow economic growth.

This Ministry has headed to this noble call resulting in these funds being returned to Treasury.

1.4.2 Departmental Revenue: Explanations of variations exceeding N\$ 200 000

Miscellaneous

However revenue received was due to the recovery of overpayments made to staff members on housing subsidies and subsistence and travel allowance which were deducted from their salaries.

2. GENERAL INFORMATION

2.1 Bank Accounts

The Ministry operated eight (8) bank accounts abroad and the following are the closing balances as at 31 March 2016:

Commercial Offices	Banking Institution	Balance as at 31/03/2016
Geneva	Embassy of the Republic of Namibia – Trade Office - Geneva UBS Bank- Cheque account	€ 42 722.67
Geneva	Embassy of the Republic of Namibia – Trade Office - Geneva UBS Bank – Call account	CHF 23 932.38
Berlin	Botschaft der Republik Namibia Dresdner Bank AG	€ 72 418.07
Pretoria	The Embassy of the Republic of Namibia First National Bank	R 313 740.14
Paris	High Commission of the Republic of Namibia – Trade Account Credit Lyonnais Bank	€ 96 421.10
Washington DC	Embassy of the Republic of Namibia – Commercial Account Bank of America, Washington DC	US\$ 417 904.12
India	High Commission of the Republic of Namibia – New Delhi – India- Scotland Royal Bank.	US\$ 23 396.82
India	High Commission of the Republic of Namibia – New Delhi – India- Scotland Royal Bank	INR 603 015.56

ANNEXURE A (continued)

2.2 Capital projects

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

Project name	Approved total budget	Approved appropriation 2015/2016	Total expenditure as at 31 March 2015	Actual expenditure 2015/2016	Total expenditure as at 31 March 2016	Expected year of completion
Sites and Premises Development Programme	N\$ 922 649 000	N\$ 104 000 000	N\$ 887 583 678.30	N\$ 104 000 000.00	N\$ 991 583 678.30	31-March-2025
Construction and Renovation of MTI Regional Offices	86 058 000	15 750 000	49 801 919.53	15 750 000.00	65 551 919.53	31-March-2020
External Trade Infrastructure Development	1 600 000 000	8 200 000	38 000 000.00	8 141 365.77	46 141 365.77	31-March-2020
Construction of testing and inspection centre for Namibia Standards Institute (NSI)	79 697 000	13 000 000	89 327 000.00	13 000 000.00	102 327 000.00	31-March-2018
Construction of Ministry of Trade Headquarters	400 400 000	1 223 000	10 000 000.00	122 581.35	10 122 581.35	31-March-2020
Construction of Garment Factory	107 000 000	1 750 000	26 149 154.59	1 750 000.00	27 899 154.59	31-March-2020
Agro Processing Development	168 870 000	20 000 000	5 000 000.00	45 000 000.00	50 000 000.00	31-March-2020
Construction of Leather and Allied Sector- Manyeha	148 379 000	9 162 000	16 268 000.00	9 162 000.00	25 430 000.00	31-March-2020
Upgrading of NDC Infrastructure/Property	65 410 000	5 000 000	-	5 000 000.00	5 000 000.00	31-March-2018
Purchasing of a Commercial Counsellors Residency in Berlin	43 067 000	7 000 000	17 066 998.14	6 931 240.55	23 998 238.69	31-March-2018
Socio-Economic Development in Hardap and Karas Regions	146 000 000	2 500 000	90 918 000.00	2 438 409.81	93 356 409.81	31-March-2018
EPZ Infrastructure Development - Omahenene Business Park	197 975 000	39 000 000	48 011 479.00	39 000 000.00	87 011 479.00	31-March-2018
Construction of Houses for MTI Regional Office Employees	57 750 000	9 250 000	13 968 187.00	8 527 049.64	22 495 236.64	31-March-2020
Special Industrialization Programme	1 000 000 000	45 000 000	20 000 000.00	45 000 000.00	65 000 000.00	31-March-2020
Development of National Single Window System	125 000 000	1 000 000	-	1 000 000.00	1 000 000.00	31-March-2020
Product Development and Group Purchasing Project	400 000 000	500 000	-	500 000.00	500 000.00	31-March-2018
Gemstone and Jewellery Development Programme	42 000 000	1 000 000	-	1 000 000.00	1 000 000.00	31-March-2018
Construction of Business Intellectual Property Authority (BIPA) Head and Regional Offices	110 567 000	7 000 000	-	-	-	31-March-2019
Total	5 700 822 000	290 335 000	1 312 094 416.56	306 322 647.12	1 618 417 063.68	

2.3 Suspense Accounts

The Ministry had balances on eight (8) suspense accounts at 31 March 2016. Two (2) had debit balances and six (6) credit balances.

Description	Balance as at 31 March 2016 Debit/(Credit)
	N\$
Receipt suspense	(12 019.15)
Revenue suspense accounts	(52 219.57)
S&T advance suspense account	395 950.41
Rejection account	(88 060.32)
Bills Payable	(2 935 133.66)
Electronic fund transfer clearing account (EFT)	63 513.35
Social Security	(9 607.50)
Pension Funds: GIPF	(9 955.83)

2.4 Bursary and Study Assistance

The Accounting Officer reported that the Ministry provided study assistance to eighteen (18) staff members amounting to N\$ 967 542.39 in various areas of study during the year under review.

2.5 Vehicles

2.5.1 Vehicle accidents

The Accounting Officer reported four (4) motor vehicle accidents during the financial year under review. One (1) vehicle was repaired at a total cost of N\$ 15 585. Three (3) vehicles are still to be repaired.

2.5.2 Vehicles on hand

The Accounting Officer reported that one (1) vehicle was written-off during the year under review. The Ministry had fifty eight (58) vehicles on hand at the end of the financial year. Fifty four (54) of these vehicles belonged to the Ministry's fleet, while the other four (4) vehicles were assigned to the Ministry by the Government Garage.

2.6 Outstanding Commitments

The Accounting Officer has reported outstanding commitments amounting to N\$ 41 755 934.31 as at 31 March 2016.

2.7 Debt to the Government

The Accounting Officer reported debt to the Government resulting from the Rehoboth Business Loans amounting to N\$ 182 309.15, of which N\$ 91 127.27 is interest, at 31 March 2016.

2.8 Exemptions from normal Tender procedures

Tender Board approved a total amount of N\$ 410 022 000 for the financial year under review:

Exemption number	Description	Approved exemption	Actual expenditure	Difference
		N\$	N\$	N\$
E1/14-1/2015	Travel and subsistence expenses	11 000 000	5 369 314.79	5 630 685.21
	Materials and supplies	1 500 000	1 406 742.32	93 257.68
	Transport	2 000 000	1 836 725.37	163 274.63
	Utilities	12 000 000	10 340 000.00	1 660 000.00
	Maintenance expenses	2 000 000	1 713 528.72	286 471.28
	Property rental and related charges	4 000 000	4 000 000.00	-
	Other services and expenses	100 000 000	100 000 000.00	-
	Membership fees	15 494 000	2 484 498.29	13 009 501.71
	Public and departmental enterprises	259 028 000	245 379 243.37	13 648 756.63
	Furniture and office equipment	3 000 000	467 984.49	2 532 015.51
		410 022 000	372 998 037.35	37 023 962.65

WINDHOEK, 24-10-2016

GABRIEL SINIMBO
ACCOUNTING OFFICER

