



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MINISTRY OF INDUSTRIALISATION,

TRADE & SME DEVELOPMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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REPUBLIC OF NAMIBIA



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 2019 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 2020

**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 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.
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 specified
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)
Key Performance Indicator (KPI)	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.

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.
International Standards of Supreme Audit Institutions (ISSAI)	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
OMA	Office/Ministry/Agency
Reasonable Assurance	It is when the audit conclusion is expressed positively, conveying that, in the auditor's opinion, the subject matter is or is not compliant in all material respects or, where relevant, that the subject matter information provides a true and fair view, in accordance with the applicable criteria.
Limited Assurance	It is when the audit conclusion states that, based on the procedures performed; nothing has come to the auditor's attention to cause the auditor to believe that the subject matter is not in compliance with the criteria.
Direct reporting engagement	It is when an auditor measures or evaluates the subject matter against the criteria. The auditor is responsible for producing the subject matter information. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. By measuring the subject matter evidence against the criteria, the auditor is able to form a conclusion.
Attestation engagement	It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which you, the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.
Subject matter	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
Types of Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p>Disclaimer Opinion. Auditor's 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>

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS
OF THE MINISTRY OF INDUSTRIALISATION, TRADE AND SME DEVELOPMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED OPINION

I have audited the financial statements of the Ministry of Industrialization Trade and SME Development for the financial year ended 31 March 2019 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, Notes to the financial statements and general information supplied by the Accounting Officer is attached.

In my opinion, the financial statements of the Ministry of Industrialisation, Trade and SME Development as at 31 March 2019 are prepared in all material respects, in accordance with the State Finance Act, 1991(Act 31 of 1991)) and relevant legislation.

1.2 BASIS FOR UNQUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there were no key audit matters to communicate in my report.

1.4 EMPHASIS OF MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, as disclosed by the Ministry of Industrialisation, Trade and SME Development in the financial statements. My opinion is not modified in respect of this matter:

1.4.1 Bank accounts

The Ministry opened the following new bank account for the financial year under review. However, Treasury authorisation was not provided for audit purposes:

Commercial Office	Details	Balance as per bank statement as at 31 March 2019
Namibia	Standard Bank	N\$ 1 676 956.04

It is strongly recommended that the Accounting Officer should provide the Treasury authorisation for audit purposes.

Management comment

The Accounting Officer indicated that the Ministry will seek approval from Treasury.

1.5 OTHER MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Ministry of Industrialisation, Trade and SME Development in the financial statements. My opinion is not modified in respect of these matters:

1.5.1 Risk management policy

The audit noted that management has not come up with a documented Risk Management Policy to provide information and guidance on Risk Management.

It is recommended that the Accounting Officer should develop a Risk Management Policy to manage risk to an acceptable level.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the Ministry has taken note of the recommendation and hereby will ensure that action is taken to develop a Risk Management Policy.

1.5.2 IT disaster recovery plan

The Ministry does not have a disaster recovery plan in place to provide information and guidance in case of disasters.

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

Management comment

In his comment on the management letter, the Accounting Officer indicated that the Ministry has taken note of the recommendation and hereby assures that the Disaster Recovery Plan will be drafted in consultation with the Office of the Prime Minister.

1.5.3 Audit committee

The Ministry does not have an audit committee in place to enhance the work of the internal and external audit functions and to guide the Ministry in mitigating, assessing and managing risks.

It is recommended that the Accounting Officer should appoint an Audit committee.

Management comment

In his comment on the management letter, the Accounting Officer indicated that the Ministry has taken note of the recommendation and hereby tasked the Chief Internal Auditor with drafting the Audit Charter for the management adoption which will outline the establishment of the Audit committee.

1.6 OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work I have performed I have nothing to report in this regard.

2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

2.1 COMPLIANCE TO LAWS AND REGULATIONS

SUBJECT MATTER: FINANCIAL PERFORMANCE AND THE USE APPROPRIATED FUNDS

I have audited the financial performance and the use of appropriated funds of the Ministry of Industrialization, Trade and SME Development for the financial year ended 31 March 2019.

2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

The audit aimed to determine whether the Ministry of Industrialization, Trade and SME Development's financial performance and the use of appropriated funds is in compliance with the Appropriation Act, 2018, (Act 4 of 2018), Appropriation Amendment Act, 2018, (Act 15 of 2018) State Finance Act, 1991, (Act 31 of 1991), Procurement Act 2015, (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2019.

2.3 AUDIT OBJECTIVE

The objective of this compliance audit is to verify and assess whether the Ministry of Industrialization, Trade and SME Development has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIS. This audit is an attestation engagement where the Ministry of Industrialization, Trade and SME Development presented the subject matter information on which the auditor gathered sufficient and appropriated audit evidence to provide reasonable assurance informing an opinion. In forming an opinion, the findings and recommendations are taken into consideration.

In addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened. The scope of this audit is the 2018/2019 financial year.

2.4 AUDIT CRITERIA

The audit criteria used in the audit was derived from the following laws and regulations:

- Appropriation Act, 2018 (Act 4 of 2018);
- Appropriation Amendment Act, 2018, (Act 15 of 2018);
- State Finance Act, 1991 (Act 31 of 1991);
- Public Procurement Act, 2015 (Act 15 of 2015);
- Treasury Instructions; and
- Public Procurement Regulations.

2.5 SUMMARY OF METHODS APPLIED

I have audited the financial statements for the financial year ended 31 March 2019 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 KEY AUDIT FINDINGS

2.6.1 Stock taking

The Accounting Officer did not carry out annual stock taking at eight (8) out of nine (9) stock points. This is contrary to Treasury Instruction KA 0901 which states that *“stores, equipment and livestock shall be subjected to stocktaking at least once each financial year and the Accounting Officer shall submit the report thereon (as intended in T.I. K A 0905) to Treasury for approval as soon as possible after the stocktaking, but in any case within 30 days after the end of the financial year concerned.”*

The Accounting Officer should explain the deviation from the Treasury Instruction.

Management comment

In his comment on the draft report, the Accounting Officer indicated that the Ministry agrees with the finding and indicated that stocktaking was not conducted due to financial constraints as all the eight points are based in foreign capitals.

2.7 OPINION ON THE SUBJECT MATTER

In my opinion, the Ministry of Industrialization, Trade and SME Development's financial performance and use of appropriated funds is in compliance, in all material respects, with the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations, Appropriation Amendment Act, 2018, (Act 15 of 2018) and Appropriation Act, 2018 (Act 4 of 2018).

2.8 AUDIT OF PERFORMANCE INFORMATION

The KPI audit could not be carried out due to the non-submission of quarterly reviews and Annual review reports.

Management comment

In his comment on the management letter, the Accounting Officer indicated that the Annual Plan is submitted to the Office of Prime Minister for approval but the response has not been received yet. Furthermore, he indicated that two (2) Directorates have fully reviewed the annual plan for the financial year under review, hence the Ministry could not provide incomplete records for audit purposes.

3. 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 Sections 12 & 13 of the State Finance Act, 1991, (Act 31 of 1991) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible of overseeing the entity's financial reporting process.

4. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

My powers and duties towards auditing and reporting on the financial statements and compliance to the subject matters are outlined under Section 25 (1) (c), Section 26 (1) and Section 27 (3) of the State Finance Act, 1991 (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional 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 the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2018 (Act 4 of 2018), Appropriation Amendment Act, (Act 15 of 2018), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

5. GENERAL INFORMATION

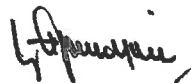
The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 30 October 2019 in terms of *Section 13 of the State Finance Act, 1991 (Act 31 of 1991)*.

6. ACKNOWLEDGEMENT

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

WINDHOEK, MARCH 2020


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2018/2019						2017/2018
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
N\$		N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	4 173 184					
Plus: Virement	240 000	4 413 184	4 150 262.58	262 921.42	5.96	5 045 562.90
02. Administration:						
Original budget	33 922 000					
Less: Virement	(240 000)	33 682 000	28 653 815.01	5 028 184.99	14.93	66 813 342.11
03. International Trade:						
Original budget	104 747 364	104 747 364	102 022 847.20	2 724 516.80	2.60	90 350 720.13
04. Industrial Development:						
Original budget	155 350 261					
Less: Suspension	(48 300 000)	107 050 261	104 847 278.78	2 202 982.22	2.06	227 199 881.16
05. Investment Centre:						
Original budget	42 498 000	42 498 000	40 082 981.45	2 415 018.55	5.68	52 947 936.15
06. Internal Trade:						
Original budget	45 087 191	45 087 191	43 032 626.00	2 054 565.00	4.56	115 387 269.99
Total		337 478 000	322 789 811.02	14 688 188.98	4.35	557 744 712.44

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2018/2019			2017/2018
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	74 189 000	64 581 273.14	9 607 726.86	70 048 567.83
002. Employer's contribution to GIPF and M.P.O.O.B.P.F.	9 077 000	8 018 377.05	1 058 622.95	8 450 660.64
003. Other condition of services	3 301 000	1 481 708.01	1 819 291.99	2 906 413.67
005. Employers contribution to the Social Security	201 000	176 932.41	24 067.59	169 734.96
Total	86 768 000	74 258 290.61	12 509 709.39	81 575 377.10
Current expenditure: Goods and other services				
021. Travel and subsistence allowances	2 135 070	2 045 178.14	89 891.86	6 704 977.18
022. Materials and supplies	500 000	479 777.47	20 222.53	1 378 102.56
023. Transport	400 000	396 715.72	3 284.28	2 023 956.96
024. Utilities	9 665 000	8 885 730.45	779 269.55	6 367 832.75
025. Maintenance expenses	-	-	-	782 416.93
027. Other services and expenses	71 550 000	70 775 418.47	774 581.53	53 488 276.49
Total	84 250 070	82 582 820.25	1 667 249.75	70 745 562.87
Current expenditure: Membership fees and subscriptions				
040. Security contracts	700 000	699 428.50	571.50	-
041. International	27 000 000	27 000 000.00	-	27 821 961.37
Total:	27 700 000	27 699 428.50	571.50	27 821 961.37
Current expenditure: Subsidies grants and other transfers				
044. Individual and non-profit organisations	-	-	-	2 093 000.00
045. Public and departmental enterprises and private industries	32 059 930	32 002 963.60	56 966.40	132 555 868.24
Total	32 059 930	32 002 963.60	56 966.40	134 648 868.24
Total: Current expenditure	230 778 000	216 543 502.96	14 234 497.04	314 791 769.58
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	-	-	-	570 000.00
Total:	-	-	-	570 000.00
Total: Operational expenditure	230 478 000	216 543 502.96	14 234 497.04	315 361 774.58

ANNEXURE A (continued)

Subdivision	2018/2019			2017/2018
	Authorised expenditure	Actual expenditure	Under expenditure/ (Excess)	Actual expenditure
Development:	N\$	N\$	N\$	N\$
Capital expenditure: Acquisition of assets				
103. Operational equipment, machinery and plants	11 990 000	11 990 000.00	-	13 513 064.38
105. Feasibility studies design and supervision	-	-	-	21 965 759.80
106. Purchase of land and intangible assets	-	-	-	8 445 189.24
107. Construction, renovation and improvement	94 710 000	94 256 308.06	453 691.94	171 458 929.44
Total Capital Transfers	106 700 000	106 246 308.06	453 691.94	215 382 942.86
131. Government organisation	-	-	-	27 000 000.00
Total	-	-	-	27 000 000.00
Total: Development expenditure	106 700 000	106 246 308.06	453 691.94	242 382 942.86
GRAND TOTAL	337 478 000	322 789 811.02	14 688 188.98	557 744 712.44

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2018/2018	More/(Less) than estimated	Actual revenue 2017/2018
	N\$	N\$	N\$	N\$
Miscellaneous	-	52 126.17	52 126.17	596 779.23
Total	-	52 126.17	52 126.17	596 9.23

1.4 Notes to the financial statements

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

Underexpenditure

Main division 01 - Office of the Minister (N\$ 262 921.42 – 5.96%)

The Private Secretary of the former Minister was seconded to the Office of the President in 2016, and was permanently transferred to the same office during the 2018/2019 financial year which resulted in the underexpenditure.

Main division 02 – Administration (N\$ 5 028 184.99 – 14.93%)

The underexpenditure under personnel expenditure was due to the retirement of the Director while the posts of

the Chief Human Resource and Chief Training and Development Officers were recruited lately in the middle of the year while the Senior Accountant and that of the Technology could not be filled on time as planned due to administrative delay in the recruitment process, skills scarcity and other related technical difficulties in securing the ideal candidates.

The Ministry has also experienced an exodus of professionals to the private sector due to attractive greener pastures and better conditions of services offered.

The Ministry of Industrialisation, Trade and SME development (MISMED) is responsible for the payments of the utility services for the three building blocks, which houses the Ministry of Fisheries and Marine Resources and the Ministry of Safety and Security. The agreement is that MISMED pays and get refunded through debit acceptance. There are serious challenges with this arrangement and in this case funds were received late and could not be utilized due to the closure of the financial year.

Main division 03 – International Trade (N\$ 2 724 516.80) – 2.60%)

Provision was made for the vacant positions of Commercial Counsellors to be appointed to the United Arab Emirates, Brazil, United Kingdom and China. The appointment and opening of these offices were rescinded due to economic hardship, resulting in underexpenditure.

The Ministry has opted to utilize officials posted as Commercial Counsellors to represent the Ministry at meetings in the respective countries they are posted to and at the neighbouring countries instead of sending officials from the Headquarters, resulting in the underexpenditure.

Main division 04 – Industrial Development (N\$ 2 202 982.22 – 2.06%)

The underexpenditure were as a result of vacant posts of the Chief Development Planner, Chief Engineer, the resignation of a Deputy Director which was lately filled and other vacant positions which could not be filled due to skills scarcity and other related technical difficulties in securing the ideal candidates.

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

Main division 05 – Investment Centre (N\$ 2 415 018.55 – 5.68%)

This Ministry has four (4) senior staff members seconded to the Office of the President and Vice President. The arrangement is that this Ministry pays their additional added conditions of service and benefits and claim reimbursement through the debit acceptance system. 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 OMAs to process salary transaction when subdivisions are in a minus. The Ministry has requested the Public Service Commission to permanently transfer the affected staff to respective offices.

The underexpenditure was further attributed by the appreciations of the Namibian dollar against major currency on foreign contractual payments made.

Main division 06 – Internal Trade (N\$ 2 054 565.00 – 4.56%)

It was anticipated to recruit a Deputy Director for Weight and Measure but due to the technical competency required from the potential candidate, it has taken longer to search for candidates with the right skills that resulted in the underexpenditure.

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

2. GENERAL INFORMATION

2.1 Bank accounts

The Ministry operated sixteen (16) bank accounts abroad and the following are the closing balances as at 31 March 2019:

Commercial offices	Banking institution	Balance as at 31 March 2019
Pretoria	First National Bank	ZAR 12 657.20
Angola	Banco de Fomento: KZ Account	KZ 114 112.52
Angola	Banco de Fomento: US\$ Account	US\$ 5 002.43
Geneva	UBS Bank: Euro Account	€ 4 171.42
Geneva	UBS Bank: Swiss Account	CHF 470.38
USA	Bank of America	US\$ 3 520.71
Paris	Credit Lyonnais Bank of Paris	€ 4 011.66
India	Royal Bank of Scotland	US\$ 321 445.81
India	Royal Bank of Scotland	INR 208 051.90
Ethiopia	Commercial Bank of Ethiopia	ETB 359 435.03
Ethiopia	Commercial Bank of Ethiopia	US\$ 9 617.10
Namibia	Standard Bank	N\$ 1 676 956.04
Namibia	First National Bank	N\$ 380 610.45
Belgium	ING Bank	€ 34 541.77
Germany	Commerz Bank	€ 14 016.29
Germany	Commerz Bank	€ 1 072 765.26

2.2 Vehicles

The Accounting Officer reported that the Ministry had thirty three (33) sedans, one (1) heavy vehicle, one (1) forklift and thirty two (32) pick-ups and combi's on hand at the end of the financial year. Furthermore, the Accounting Officer reported three (3) motor vehicle accidents with an estimated repair cost of N\$ 78 326.99 during the financial year under review.

2.3 Points keeping stock and annual stocktaking

The Accounting Officer reported value of stock on hand at its Luanda Office amounting to N\$ 1 576 860.00 with absolute worn-out stock totalling N\$ 98 000.00.

2.4 Compensation payments against the State

The Accounting Officer reported compensation payments in respect of civil claims amounting to N\$ 66 000.00.

2.5 Suspense accounts

The final ledger shows the following eight (8) suspense account balances of the Ministry as at 31 March 2019 of which six (6) had debit balances and two (2) with credit balances:

Description	Balance as at 31 March 2019 Debit/(Credit)
	N\$
Receipt suspense account	(19 539.15)
S&T advance suspense account	343 432.96
Rejection account	3 521.13
Bills payable	(287 322.86)
Electronic Fund Transfer clearing account (EFT)	(49 344.92)
Social Security	(141.54)
Pension Funds: GIPF	(36.86)
National Housing Enterprises	(0.90)

2.6 Exemption from procurement procedures

The Accounting Officer reported that the Ministry was granted an exemption by the Minister of Finance for the procurement of goods and services related to the 38th SADC Summit of Heads of States and Government.

2.7 Capital projects

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

Project name	Approved total budget	Approved appropriation 2018/2019	Total expenditure as at 31 March 2018	Actual expenditure 2018/2019	Total expenditure as at 31 March 2019	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
EPZ Infrastructure Development	215 035 000	4 000 000	115 983 955.65	4 000 000.00	119 983 955.65	31-March-2018
Construction of Sites and Premises Industrial Estates	1 097 649 000	28 010 000	1 138 268 383.63	28 010 000.00	1 166 278 383.63	31 March 2025
Construction of Garment Factories	189 998 000	2 990 000	41 927 691.48	2 990 000.00	44 917 691.48	31-March-2020
Agro Processing Development	350 959 000	12 500 000	107 809 035.87	12 500 000.00	120 309 035.87	31-March-2020
Construction of Leather and Allied Sector- Centres	188 379 000	10 000 000	38 314 756.81	10 000 000.00	48 314 756.81	31-March-2020
Special Industrialization Programme	450 000 000	10 000 000	108 409 670.04	10 000 000.00	118 409 670.04	31-March-2020
Product Development and Group Purchasing Project	45 000 000	3 000 000	3 999 172.68	3 000 000.00	6 999 172.68	31-March-2018
Gemstone and Jewellery Development Programme	53 000 000	2 500 000	9 513 891.70	2 290 999.63	11 804 891.33	31-March-2018
Construction of Pharmaceutical Manufacturing Plant in Okahandja	303 200 000	3 000 000	2 712 855.24	2 871 932.53	5 584 787.77	31-March-2019
De-Bushing for Bio-Fuel	100 000 000	10 500 000	19 000 000.00	10 383 375.90	29 383 375.90	31-March-2021
Agro Processing – Tomato Paste Production	100 000 000	2 500 000	8 000 000.00	2 500 000.00	10 500 000.00	31-March-2021
Namibia Standard Institute (NSI) in Walvisbay	146 489 000	17 700 000	129 327 000.00	17 700 000.00	147 027 000.00	31-March-2018
Total	3 239 709 000	106 700 000	1 723 266 413.10	106 246 308.06	1 829 512 721.16	

WINDHOEK, 04 October 2019

AMB. STEVE KATJUANJO
ACCOUNTING OFFICER

