



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MINISTRY OF INDUSTRIALISATION

AND TRADE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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REPUBLIC OF NAMIBIA



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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 and Trade for the financial year ended 31 March 2021 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, MARCH 2022

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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DEFINITIONS

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| 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</p> |

application, acceptability or adequacy of accounting policies.

Disclaimer Opinion. Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.

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.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS
OF THE MINISTRY OF INDUSTRIALIZATION AND TRADE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED OPINION

I have audited the financial statements of the Ministry of Industrialization and Trade for the financial year ended 31 March 2021, provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, notes to the financial statements and general information for the financial year then ended.

In my opinion, the financial statements of the Ministry of Industrialization and Trade as at 31 March 2021 are prepared in all material respects in accordance with Section 12 and 13 of the State Finance Act, 1991(Act 31 of 1991) and relevant legislation.

1.2 BASIS FOR UNQUALIFIED AUDIT OPINION

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

1.3 KEY AUDIT MATTERS

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

1.4 OTHER MATTERS

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

1.4.1 Disaster Recovery Plan

The Accounting Officer has not come up with an approved disaster recovery plan to provide information and guidance in the event of a disaster.

The disaster recovery plan is an integral part of the overall risk management of the Ministry. Since all of the risks cannot be eliminated, management should implement a disaster recovery plan to prepare for potentially disruptive events. This process is extremely important because it provides detailed strategies on how the Ministry will continue after severe interruptions and disasters. In the event of a disaster, the continued operations of the Office depend on the ability to replicate its IT systems and data. The disaster recovery plan

stipulates how the Ministry's will prepare for a disaster, what the Office's response will be, and what steps it will take to ensure that operations can be restored.

It is recommended that the Accounting Officer should develop and implement a disaster recovery plan as a matter of urgency.

Management comment

The Accounting Officer indicated that the Ministry understands the importance of the plan and gives assurance that it will receive priority it deserve and the office will be kept abreast.

1.5 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 and Trade for the financial year ended 31 March 2021.

2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

The audit is aimed to determine whether the Ministry of Industrialization and Trade's financial performance and use of its appropriated funds is in compliance with the Appropriation Act, 2020 (Act 4 of 2020), Appropriation Amendment Act, 2020 (Act 8 of 2020), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement Regulations during the financial year 31 March 2021.

2.3 AUDIT OBJECTIVE

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

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

2.4 AUDIT CRITERIA

The audit criteria of this compliance audit is derived from the following regulations and laws stated below:

- Appropriation Act, 2020 (Act 4 of 2020);
- Appropriation Amendment Act, 2020 (Act 8 of 2020);
- 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 2021 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 BASIS FOR QUALIFIED AUDIT OPINION ON THE SUBJECT MATTER

2.6.1 Underexpenditure

Treasury Instruction DC 0202 states that *“when drawing up draft estimates accounting officers and their financial advisors shall take note of and guard against the following: (a) more funds than can reasonably be spent shall not be requested”*. The audit found that the total budget was underspent with an amount of N\$ 6 821 824.77 (3.89%).

It is recommended that in future the Accounting Officer should adhere to Treasury Instruction DC 0202.

2.6.2 Unauthorized 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):

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, one (1) sub-division was exceeded with an amount of N\$ 115 690.72 which is unauthorised in terms of section 6 (a) (iii) of the Act.

It is recommended that the Accounting Officer should closely monitor and review the financial position of the Ministry on a continuous basis and take appropriate action timeously to avoid unauthorised expenditure in future. Furthermore, if specific activities are expected to exceed the budgeted funds due to unforeseen circumstances funds should be viremented from activities where savings are expected.

Management comment

The Accounting Officer indicated that the unauthorised expenditure occurred due to outstanding advance claims paid for the 2019/2020 financial year. Unfortunately, the Ministry could not request for virementation to account for these unauthorised expenditure due to Covid-19 lockdown. Be assured that the Ministry has put mechanisms in place to ensure constant monitoring to prevent overspending

2.6.3 Annual stocktaking

Treasury Instruction KA 0901 states that *“Stores, equipment and livestock shall be subjected to stock taking at least once each financial year and the Accounting Officer shall submit the report thereon (as intended in T.I. KA 0905) to Treasury for approval as soon as possible after the stock taking, but in case within 30 days after the end of financial year concerned.”* In addition, Office of the Prime Minister issued a directive No.1 of 2018

which states that *“Staff members in regional offices of OMAs must be trained to conduct stock control in their respective regions. Staff members should not travel from the head-office or from one region to another, to conduct stock at regional level”*. The Accounting Officer reported that no stocktaking was conducted during the financial year under review.

The Accounting Officer should ensure that stocktaking is conducted on an annual basis as required by Treasury Instruction KA0901.

Management comment

The Accounting Officer agreed with the finding. The reason for no stock taking was due to financial constraints and the outbreak of Covid-19. The Ministry will ensure that the annual stock taking for all its stocktaking points will be conducted from the 2021/2022 financial year onwards.

2.6.4 Stores and depots

The Accounting Officer submitted a nil statement, while Treasury Instructions KA 1501 requires the Accounting Officers to submit a statement to the Auditor-General indicating the total value of the stores on hand at the beginning of the financial year, received, issued, written-off, surpluses and stores on hand at the end of the financial year.

The Accounting Officer should ensure that all statements are submitted as required by Treasury Instruction KA1501 for audit purposes.

Management comment

The Accounting Officer aspects with the finding and will ensure that annual stock taking is conducted and the approved stock taking report will be preserved for audit purposes.

2.7 QUALIFIED OPINION ON THE SUBJECT MATTER

In my opinion, except for the matters described in the Basis for Qualified audit opinion paragraph in all material respects, the Ministry of Industrialization and Trade’s financial performance and the use of appropriated funds, is in compliance in all material respects, with the State Finance Act, 1991(Act 31 of 1991), Appropriation Act, 2020 (Act 4 of 2020), Appropriation Amendment Act, 2020 (Act 8 of 2020), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and the Public Procurement Regulations.

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of Ministry of Industrialization and Trade for the financial year ended 31 March 2021.

3.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

A Performance Management System (PMS) is as a systematic process for achievement and improvement in obtaining results from an organization and its staff members by managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable Offices, Ministries and Agencies (OMAs) to achieve success in National Development Plans (NDP) and provide improvements in service delivery to the public.

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Industrialization and Trade and the 2017-2022 Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their

usefulness in assessing the entity's achievements in terms of its service performance objectives. The following five (5) key performance indicators were selected from the 2020/2021 annual plan:

- i) % progress made on the Special Economic Zone (SEZ) policy framework;
- i) % progress made on the construction of facility;
- ii) # of PPEs and medical equipment produced, masks manufactured and medical and respirators manufactured;
- iii) # of Garment factories developed; and
- iv) % of work done on SMEs trained and production centres.

3.2 AUDIT OBJECTIVE

The objective of the Key Performance Indicator (KPI) audit is to provide assurance on whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the (OMAs) to inform the Parliament, the public and other stakeholders on its strategic priorities, programs, and projects.

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

3.3 AUDIT CRITERIA

In this audit, the performance information against the following selected criteria was tested:

- Compliance with legislative requirements
- Usefulness;
- Reliability;
- Existence;
- Timeliness;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- Validity;
- Accuracy; and
- Completeness.

3.4 SUMMARY OF METHODS APPLIED

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

Furthermore, the auditors conducted interviews and reviewed documents to obtain information that pertains to the selected key performance indicators (KPIs).

3.5 KEY AUDIT FINDINGS

The audit found that:

- (i) The targeted Key Performance Indicator (KPI) of hundred percent (100%) of progress made on the SEZ policy framework was partially achieved as only seventy percent (70%) has been achieved.

- (ii) The targeted Key Performance Indicator (KPI) of two (2) garment factories developed has been achieved partially as only one (1) factory was developed.
- (iii) The targeted Key Performance Indicator (KPI) of ninety percent (90%) of work done on SMEs trained and production centres was partially achieved as only seventy percent (70%) was achieved.
- (iv) The targeted Key Performance Indicator (KPI) of hundred percent (100%) of progress made on the construction of facility (biomass industrial park) was fully achieved.
- (v) The targeted Key Performance Indicator (KPI) of nine hundred and fifty (950) of PPEs and medical equipment produced, masks manufactured and medical and respirators manufactured was fully achieved.

The Accounting Officer should ensure that outputs are achieved as planned.

3.6 CONCLUSION ON THE SUBJECT MATTER

The outcome of the audit is satisfactory, except for the outputs that were not achieved, as the Ministry has implemented all planned projects as per the annual plan to ensure the service delivery as enshrined in the mandate of the Ministry.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 and 13 of the State Finance Act, 1991, (Act 31 of 1991) and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The management is also responsible for ensuring adherence to the Appropriation Act, 2020 (Act 4 of 2020) Appropriation Amendment Act, 2020 (Act 8 of 2020), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulation and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT

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

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

- 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. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my 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, 2020 (Act 4 of 2020) Appropriation Amendment Act, 2020 (State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

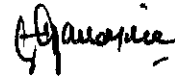
6. GENERAL INFORMATION

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

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

7. ACKNOWLEDGEMENT

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



WINDHOEK, MARCH 2022

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

| Service | 2020/2021 | | | | 2019/2020 | |
|------------------------------------|------------------------|--------------------|--------------------------------|---------------------|--------------------|-----------------------|
| | Authorized expenditure | Actual expenditure | Variations | | Actual expenditure | |
| | | | Under-expenditure/ (Excess) | Percentage | | |
| N\$ | N\$ | N\$ | N\$ | % | N\$ | |
| 01. Office of the Minister: | | | | | | |
| Original budget | 5 315 000 | | | | | |
| Less: Virement | (1 700 000) | 3 615 000 | 3 456 340.20 | 158 659.80 | 4.39 | 4 679 388.97 |
| 02. Administration: | | | | | | |
| Original budget | 41 435 000 | | | | | |
| Less: Virement | (1 780 000) | 39 655 000 | 37 658 625.46 | 1 996 374.54 | 5.03 | 5 718 636.25 |
| 03. International Trade: | | | | | | |
| Original budget | 19 932 000 | | | | | |
| Additional budget | 2 000 000 | | | | | |
| Plus: Virement | 479 000 | 22 411 000 | 22 232 273.71 | 178 726.29 | 0.80 | 33 273 087.11 |
| 04. Industrial Development: | | | | | | |
| Original budget | 51 459 000 | | | | | |
| Less: Virements | (570 000) | | | | | |
| Less: Suspension | (6 000 000) | 44 889 000 | 43 046 003.25 | 1 842 996.75 | 4.11 | 58 196 075.19 |
| 05. Investment Centre: | | | | | | |
| Original budget | 2 417 000 | | | | | |
| Additional budget | 705 000 | | | | | |
| Plus: Virement | 4 521 000 | 7 643 000 | 6 319 363.27 | 1 323 636.73 | 17.32 | 26 834 513.13 |
| 06. Internal Trade: | | | | | | |
| Original budget | 54 223 000 | | | | | |
| Additional budget | 8 000 000 | | | | | |
| Less: Virement | (950 000) | | | | | |
| Less: Suspension | (4 000 000) | 57 273 000 | 55 951 569.34 | 1 321 430.66 | 2.31 | 47 250 984.09 |
| Total | | 175 486 000 | 168 664 175.23 | 6 821 824.77 | 3.89 | 205 952 684.74 |

1.2 Standard subdivisions

| Subdivision | 2020/2021 | | | 2019/2020 |
|--|------------------------|-----------------------|-----------------------------|-----------------------|
| | Authorised expenditure | Actual expenditure | Under-expenditure/ (Excess) | Actual expenditure |
| | N\$ | N\$ | N\$ | N\$ |
| Operational: | | | | |
| Current expenditure: Personnel | | | | |
| 001. Remuneration | 58 285 000 | 56 109 115.77 | 2 175 884.23 | 65 900 297.01 |
| 002. Employer's contribution to GIPF and M.P.O.O.B.P.F. | 7 353 000 | 6 915 215.62 | 437 784.38 | 7 981 887.99 |
| 003. Other condition of services | 1 344 000 | 1 258 094.03 | 85 905.97 | 658 086.68 |
| 005. Employers contribution to the Social Security | 173 000 | 149 467.13 | 23 532.87 | 175 113.17 |
| Total | 67 155 000 | 64 431 892.55 | 2 723 107.45 | 74 715 384.85 |
| Current expenditure: Goods and other services | | | | |
| 021. Travel and subsistence allowances | 1 176 000 | 996 489.28 | 179 510.72 | 6 307 150.14 |
| 022. Materials and supplies | 2 570 000 | 1 889 917.15 | 680 082.85 | 969 505.42 |
| 023. Transport | 1 350 000 | 1 167 706.12 | 182 293.88 | 881 224.05 |
| 024. Utilities | 10 021 000 | 9 861 842.96 | 159 157.04 | 11 172 460.40 |
| 025. Maintenance expenses | 1 000 000 | 889 778.30 | 110 221.70 | 714 689.47 |
| 027. Other services and expenses | 7 425 000 | 6 798 300.77 | 626 699.23 | 1 240 787.45 |
| 028. Training courses, symposiums and workshops | - | - | - | 119 599.56 |
| 029. Printing and advertisements | - | - | - | 187 487.56 |
| 031. Politicians entertainment | - | - | - | 39 241.22 |
| 033. Office refreshments | - | - | - | 39 728.30 |
| 038. Consultancy fees | - | - | - | 12 640 309.46 |
| 040. Security contracts | - | - | - | 1 422 705.52 |
| Total | 23 542 000 | 21 604 034.58 | 1 937 965.42 | 35 734 888.55 |
| Current expenditure: Subsidies grants and other transfers | | | | |
| 041. International | 4 370 000 | 4 340 601.32 | 29 398.68 | 881 477.41 |
| Total | 4 370 000 | 4 340 601.32 | 29 398.68 | 881 477.41 |
| Current expenditure: Subsidies grants and other transfers | | | | |
| 045. Public and departmental enterprises and private industries | 38 419 000 | 37 585 413.29 | 833 586.71 | 17 183 662.37 |
| 053. State owned enterprises | - | - | - | 37 871 706.32 |
| Total | 38 419 000 | 37 585 413.29 | 833 586.71 | 55 055 386.69 |
| Total: Operational expenditure | 133 486 000 | 127 961 941.74 | 5 524 058.26 | 166 387 119.50 |
| Development: | | | | |
| Capital expenditure: Goods and other services | | | | |
| 032. Materials and supplies | 5 966 483 | 5 966 483.00 | - | - |
| 037. Other services and expenses | 2 000 000 | 2 000 000.00 | - | - |
| Total | 7 966 483 | 7 966 483.00 | - | - |

Standard subdivisions (continue)

| Subdivision | 2020/2021 | | | 2019/2020 |
|---|------------------------|-----------------------|-----------------------------|-----------------------|
| | Authorised expenditure | Actual expenditure | Under expenditure/ (Excess) | Actual expenditure |
| | N\$ | N\$ | N\$ | N\$ |
| Capital Expenditure: Acquisition of assets | | | | |
| 117. Construction, renovation and improvement | 34 033 517 | 32 735 750.49 | 1 297 766.51 | 39 565 565.24 |
| Total | 34 033 517 | 32 735 750.49 | 1 297 766.51 | 39 565 565.24 |
| Total: Development expenditure | 42 000 000 | 40 702 233.49 | 1 297 766.51 | 39 565 565.24 |
| GRAND TOTAL | 175 486 000 | 168 664 175.23 | 6 821 824.77 | 205 952 684.74 |

1.3 Departmental revenue

Revenue for the year is as follows:

| Revenue head | Estimate | Actual revenue 2020/2021 | More/(Less) than estimated | Actual revenue 2019/2020 |
|---------------|----------|--------------------------|----------------------------|--------------------------|
| | N\$ | N\$ | N\$ | N\$ |
| Miscellaneous | - | 12 443.49 | 12 443.49 | 69 704.01 |
| Total | - | 12 443.49 | 12 443.49 | 69 704.01 |

1.4 Notes to the financial statement

1.4.1 Explanation of variations exceeding 2% between authorised and actual expenditure

Underexpenditure

Main division 02: Office of the Minister (N\$ 158 659.80 – 4.39%).

The underexpenditure was attributed to the late recruitment of the Personal Assistant to the Deputy Minister who joined the Ministry during the middle of the year. In the same vein, 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.

Main division 02: Directorate of General Service (N\$ 1 996 374.4 – 5.03%)

Underexpenditure under this main division arise from various vacant posts especially the Deputy Director: Finance and Administration and that of Security Services among others which could not be filled earlier as anticipated due to skills scarcity vetting process and other related technical difficulties in securing the ideal candidates.

The above stated reason had a direct contribution to saving realised under the Employers Contribution to the Government Institution Pension Fund (GIPF). In the same vein, a number of procurement planned activities were put on hold in-order to facilitate the procurement of COVID-19 related detergents, soaps and cleaning chemicals to fight the spread of the disease while a number of planned activities were cancelled or rescheduled due to the pandemic, resulting in less vehicle fuel consumption and maintenance cost.

There were also no major maintenance activities undertaken as anticipated on the aging Ministerial Head Quarters' significantly reducing the maintenance cost.

Main division 04: Directorate of industrial development (N\$1 842 996.75)

The Directorate experience challenges with 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.

One main challenge with the acquisitions of equipment and machinery especial from countries outside the borders of Namibia is that most companies require upfront payment of upto fifty percent (50%) of the total cost which is risky and in contravention of the State Finance Act and Treasury Instructions.

Main division 05: Department Namibi Investment Centre (N\$ 1 321 430.66)

The underexpenditure under this main division is partly caused by the appreciation of the Namibian Dollar against the United States Dollar and othe major foreign currencies during the transfer of funds to various commercial offices at the Namibian Embassies aboard.

Cabinet and Treasury directives curbed on foreign trips, ad at the peak of COVID-19 pandemic, only critical trips were undertaken. The Ministry reprioritized its programmes and activities which resulted in some trips being cancelled or assigned to commercial counsellors and thus resulting in underexpenditure.

Main Divison 06: Directorate of Commerce (N\$1 321 430.66 – 2.31%)

The underexpenditure under this main division arise from vacant post of Director due to retirement while the Deputy Director: Weight and Measures has taken longer to be filled due to specialised skill requirement attached to the post.

2. GENERAL INFORMATION

2.1 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue amounting to N\$ 12 443.49 for the financial year under review.

2.2 Bank accounts

The Ministry operated twenty (20) bank accounts abroad and the following are the closing balances as at 31 March 2021:

| Commercial offices | Banking name | Balance as at 31 March 2021 |
|--------------------|--|-----------------------------|
| Pretoria | First National Bank | ZAR 881.42 |
| Angola | Banco de Fomento: KZ Account | KZ 2 303 352.14 |
| Angola | Banco de Fomento: US\$ Account | US\$ 33.32 |
| Geneva | UBS Bank: Euro Account | € 80.51 |
| Geneva | UBS Bank: CHF Account | CHF 2 603.03 |
| USA | Bank of America | US\$ 39 279.33 |
| Paris | Credit Lyonnais Bank of Paris | € 5 752.94 |
| India | Royal Bank of Scotland: US\$ Account | US\$ 235 812.78 |
| India | Royal Bank of Scotland: Rupee Account | INR 1 217 509.92 |
| Ethiopia | Commercial Bank of Ethiopia: ETB Account | ETB 145 005.82 |
| Ethiopia | Commercial Bank of Ethiopia: US\$ Account | US\$ 70 399.13 |
| Belgium | ING Bank | € 8 103.15 |
| Germany | Commerz Bank: Euro Account | € 87 122.89 |
| Germany | Commerz Bank: Euro Account – Capital Account | € 432 395.01 |
| Egypt | Credit Agricole Egypt: Current Account | US\$ 43 430.37 |
| UK | Barclays Bank London | GBP 5 188.97 |
| China | Bank of China, Beijing: US\$ Account | US\$ 59 535.10 |
| China | Bank of China, Beijing: CNY Account | CNY 9 560.68 |
| Brasilia | Banco do Brazil: R\$ Account | R\$ 59 159.93 |
| Brasilia | Banco do Brazil: US\$ Account | US\$ 46 019.65 |

2.3 Internal inspections

The Accounting Officer reported that the Ministry carried out inspections at eighteen (18) points, nine (9) financial inspections and nine (9) at stock and equipment inspections during the financial year under review.

2.4 Vehicles (Own fleet)

The Accounting Officer reported total vehicles on hand at 31 March 2021 as follows:

| Own fleet | Sedan vehicles | Pickups and combies | Heavy vehicles | Forklift |
|---------------------------------|----------------|---------------------|----------------|----------|
| Opening balance at 1 April 2020 | 27 | 29 | 1 | 1 |
| Balance at 31 March 2021 | 27 | 29 | 1 | 1 |

2.5 Vehicle accidents

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

| Authorized use | Number | Estimated/Actual damage |
|---|-----------|-------------------------|
| | | N\$ |
| Vehicles still needed to be repaired at 01 April 2020 | 12 | 189 634.70 |
| Accidents reported (2020/2021) | 1 | - |
| Vehicles to be repaired at 31 March 2021 | 13 | 189 634.70 |

2.6 Suspense accounts

The final ledger shows the following nine (9) suspense accounts as at 31 March 2021 of which five (5) had debit balances and four (4) with credit balances:

| Description | Balance as at 31 March 2021 Debit/(Credit) |
|---|--|
| | N\$ |
| Receipt suspense account | (24 614.15) |
| Petty cash | 200.00 |
| S&T advance suspense account | 170 029.13 |
| Rejection account | (59 144.27) |
| Bills payable | (222 441.44) |
| Electronic Fund Transfer clearing account (EFT) | 63 513.35 |
| Social Security | 107.26 |
| Pension fund (GIPF) | 2 864.51 |
| National Housing Enterprise (10%) | (0.90) |

ANNEXURE A (continued)

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 2020/2021 | Total expenditure as at 31 March 2020 | Actual expenditure 2020/2021 | Total expenditure as at 31 March 2021 | Expected year of completion |
|---|-----------------------|----------------------------------|---------------------------------------|------------------------------|---------------------------------------|-----------------------------|
| Construction of sites and premises industrial estates | N\$ 1 225 659 000 | N\$ 6 000 000 | N\$ 1 185 050 905.23 | N\$ 4 781 333.60 | N\$ 1 189 832 238.83 | On-going |
| Construction of garment factories | 136 988 000 | 5 000 000 | 48 900 074.72 | 5 000 000.00 | 53 900 074.72 | On-going |
| Agro processing development | 399 268 551 | 5 000 000 | 122 871 286.76 | 5 000 000.00 | 127 871 286.76 | On-going |
| Special industrialization programme | 488 158 000 | 4 033 517 | 122 435 319.17 | 3 954 417.00 | 126 389 736.17 | On-going |
| Product development and group purchasing project | 55 000 000 | 3 966 483 | 9 750 262.73 | 3 966 483.00 | 13 716 745.73 | On-going |
| Gemstone and jewellery development programme | 68 500 000 | 2 000 000 | 13 058 561.66 | 2 000 000.00 | 15 058 561.66 | On-going |
| Namibia Standard Institute (NSI) in Walvisbay | 191 389 000 | 16 000 000 | 153 227 000.00 | 15 999 999.89 | 169 226 999.89 | 25/09/2021 |
| TOTAL | 2 564 962 551 | 42 000 000 | 1 655 293 410.27 | 40 702 233.49 | 1 695 995 643.76 | |

WINDHOEK, 01 OCTOBER 2021

SIKONGO HAIHAMBO
ACCOUNTING OFFICER

