



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF HIGHER EDUCATION,  
TRAINING AND INNOVATION  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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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 Higher Education, Training and Innovation for the financial year ended 31 March 2020 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 2021**

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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## DEFINITIONS

<b>Treasury:</b>	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
<b>Vote:</b>	Represents an Office/Ministry/Agency.
<b>Appropriation Act:</b>	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
<b>Appropriation Account:</b>	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.
<b>Standard sub-division:</b>	Government Balance account, showing balances incurred on each account/activity.
<b>Suspension:</b>	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
<b>Virement:</b>	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.
<b>Unauthorised Expenditure:</b>	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
<b>Underexpenditure:</b>	Saving on the budget.
<b>Miscellaneous Revenue:</b>	All revenue collected and not having a specified revenue code.
<b>Commitments:</b>	Funds reserved to acquire goods or services from a supplier.
<b>Suspense accounts:</b>	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.
<b>S&amp;T Advance Suspense Account:</b>	A suspense account reflecting the outstanding subsistence and travel advances.
<b>Rejection Account:</b>	A suspense account reflecting names and balances of all persons/companies that owe the money to the State.
<b>Budget:</b>	Is an estimation of the revenue and expenses over a specified future period of time specified
<b>Subsistence Advance:</b>	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.

<b>Performance Information:</b>	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). performance agreements and personal development plans)
<b>Key performance indicator (KPI):</b>	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.
<b>International Standards of Supreme Audit Institutions (ISSAI):</b>	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
<b>Types of Audit Opinions:</b>	<p><b>Unqualified Opinion.</b> 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><b>Qualified Opinion.</b> 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><b>Disclaimer Opinion.</b> Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.</p> <p><b>Adverse Opinion.</b> The Financial statements 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>
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.

<b>Direct reporting engagement</b>	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.
<b>Attestation engagement</b>	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.
<b>Subject matter</b>	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
<b>OMA</b>	Office/Ministry/Agency



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

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**1. SECTION A: FINANCIAL AUDIT**

**1.1 UNQUALIFIED AUDIT OPINION**

I have audited the financial statements of the Ministry of Higher Education, Training and Innovation for the financial year ended 31 March 2020, 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 year ended 31 March 2020 supplied by the Accounting Officer are attached.

In my opinion, the financial statements of the Ministry of Higher Education, Training and Innovation as at 31 March 2020 are prepared, in all material respects, in accordance with Section 12 & 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 opinion.

**1.3 KEY AUDIT MATTERS**

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

**1.4 EMPHASIS OF MATTERS AND OTHER 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 Department of Transport of the Ministry of Works and Transport in the financial statements. My opinion is not modified in respect of these matters:

**1.4.1 Stocktaking/stores and depots**

Treasury Instruction KA 0901 stipulates that *"stores, equipment and livestock shall be subject to stocktaking at least once each financial year and the Accounting Officer shall submit the report thereon 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."*

No stock taking report were submitted for audit purposes.

It is recommended that the Accounting Officer should ensure that stock taking reports are submitted for audit purposes.

#### **Management comment**

The Accounting Officer indicated that stock taking was carried out, but the Ministry is still waiting for the final report from the stock taking Board.

### **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. There was no other information in connection with my audit of the financial statements for the year under review.

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

### **2.1 COMPLIANCE TO LAWS AND REGULATIONS**

#### **SUBJECT MATTER: FINANCIAL PERFORMANCE AND THE USE OF APPROPRIATED FUNDS**

I have audited the financial performance and the use of appropriated funds of the Ministry of Higher Education, Training and Innovation for the financial year ended 31 March 2020.

### **2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE**

The audit aimed to determine whether the Ministry of Higher Education, Training and Innovation used the appropriated funds in compliance with the Appropriation Act, 2019 (Act 2 of 2019), Appropriation Amendment Act, 2019 (Act 3 of 2019), 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 ended 31 March 2020.

### **2.3 AUDIT OBJECTIVE**

The objective of this compliance audit is to verify and assess whether the Ministry of Higher Education, Training and Innovation 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 are derived from the following laws and regulations stated below:

- Appropriation Act, 2019 (Act 2 of 2019);
- Appropriation Amendment Act, 2019 (Act 3 of 2019);
- 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 2020 submitted by the Accounting Officer, in order to determine whether this information complied with laws and regulations that govern them. The audit team conducted interviews with management and those charged with governance and document reviews were also carried out.

## **2.6 KEY AUDIT FINDINGS**

### **2.6.1 Expenditure**

#### **2.6.1.1 Unauthorized expenditure**

The following unauthorised expenditure occurred during the financial year and is hereby reported as such in terms of Section 27(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 excess expenditure through virements during the year, the following seven (7) operational subdivisions were exceeded by an amount totalling N\$ 604 690.91 which is unauthorised in terms of Section 6 (a) (iii) of the State Finance Act, 1991:

The Accounting Officer should monitor the budget regularly in order to avoid unauthorised expenditure in future.

#### **Management comment**

The Accounting Officer stated that the Ministry shall monitor the budget on a regular basis in order to avoid unauthorised expenditure.

### **2.6.1.2 Underexpenditure**

The Ministry realised underexpenditure on the Vote amounting to N\$ 77 173 787. Although explanations were provided for the variance as required by Circular D12/2018 of the Auditor-General, Treasury Instruction DC 0202 states that *“when drawing up draft estimates Accounting Officers and their Financial Advisors shall take note of and guard against that more funds than can reasonably be spent shall not be requested.”*

It is recommended that the Accounting Officer should take note of Treasury Instruction DC 0202 and should ensure that it is adhered to.

#### **Management comment**

The Accounting Officer stated in his comments that the Ministry of Finance decided not to honour the payment for Namibia University of Science and Technology (NUST) for March 2020. The Accounting Officer shall also take note of Treasury instructions and shall ensure it is adhered to.

### **2.6.2 Outstanding subsistence advances**

Treasury Instruction HB 0506 stipulates that a *“where a person neglected to submit a claim for subsistence and other anticipated expenditure within 30 days after he returned to his headquarters or monthly by a person who is elsewhere for a long period, the outstanding amount on an advance against his claim shall be deducted monthly his/her salary starting from the next month. The amount deducted shall not exceed 25% of his/her monthly salary”*.

It was observed that the record of employees with outstanding subsistence advances (Debit Balance list) reflects an outstanding subsistence advance balance amounting to N\$ 95 756.20 at 31 March 2020 and the suspense account reflects an amount of N\$ 208 301.99 thus, a difference of N\$ 112 545.79 between the two records.

It is recommended that the debit balance list and the subsistence and travel advance suspense account should regularly be reconciled.

#### **Management comment**

No comment was provided by the Accounting Officer.

## **2.7 OPINION ON THE SUBJECT METHODS APPLIED**

In my opinion, the Ministry of Higher Education, Training and Innovation’s financial performance and use of appropriate 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 and Appropriation Act, 2018 (Act 2 of 2019) and the Appropriation Amendment Act, 2019 (Act 3 of 2019).

### 3. AUDIT OF PERFORMANCE INFORMATION

I conducted an audit on the performance information of the Ministry of Higher Education, Training and Innovation for the financial year ended 31 March 2020.

#### 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 Ministry of Higher Education, Training and Innovation and 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.

#### 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.

Key performance indicators were selected based on what is considered significant to the intended users and their role in assessing the entity's achievements in terms of its service performance objectives.

The following key performance indicator was selected from the 2019/2020 Annual plan:

<b>Strategic objective</b>	<b>Directorate</b>	<b>KPI</b>
To improve access to and quality of vocational education and training	Vocational Education and Training	# of vocational training centres constructed

The objective of this audit is also to provide reasonable assurance to Parliament, members of the general public and other relevant stakeholder whether the reported actual performance has actually occurred and is 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 auditor reviewed the Annual Plan and Annual Performance Report to confirm whether the Strategic Plan objectives, targets and KPIs have been correctly cascaded to the Annual Plan and the selected key performance indicators for the financial year ended 31 March 2020 are reported in the Directorate quarterly reports and Annual Performance Report. Furthermore, the audit team conducted interviews and reviewed documents to obtain information that pertains to the selected key performance indicator.

### **3.5 CONCLUSION ON THE SUBJECT MATTER**

The audit revealed a satisfactory outcome of the selected key performance indicator and concluded that it is reliable and useful to the public and stakeholders.

## **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.

The management is also responsible for ensuring adherence to the State Finance Act 1991, (Act 31 of 1991), Procurement Act 2015, (Act 15 of 2015), Appropriation Act 2019, (Act 2 of 2019), the Appropriation Amendment Act 2019, (Act 3 of 2019) Public Procurement Regulations and Treasury Instructions and to ensure that effective

and efficient internal controls are implemented to enable compliance to the law that governs the performance information. Those charged with governance are responsible of overseeing the entity's financial reporting process.

## **5. 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 matter are outlined under Section 25 (1) (c), Section 26 (1) and Section 27 (3) of the State Finance Act, 1991 (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional skepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for 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 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.
- 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.
- 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.

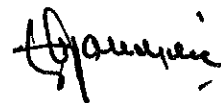
It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2019 (Act 2 of 2019), Appropriation Amendment Act 2019 (Act 3 of 2019), State Finance Act, 1991, (Act 31 of 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 of 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 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 appropriation was submitted timeously by the Accounting Officer to the Auditor-General on 30 October 2020 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 Higher Education, Training and Innovation during the audit is appreciated.



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**WINDHOEK, MARCH 2021**

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2019/2020						2018/2019
Service	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
		N\$	N\$	N\$	%	N\$
<b>01. Office of the Minister:</b>						
Original budget	3 351 000					
Plus: Virement	257 635	3 608 635	3 585 452.66	23 182.34	0.64	3 343 300.93
<b>02. Administration:</b>						
Original budget	21 439 000					
Less: Virement	(3 945 200)	17 493 800	17 051 749.81	442 050.19	2.53	18 595 130.98
<b>03. Higher Education:</b>						
Original budget	2 601 574 000					
Less: Virement	(168 900)	2 601 405 100	2 526 374 724.33	75 030 375.67	2.88	3 241 894 727.61
<b>04. Vocational and Technical Training (NTA):</b>						
Original budget	453 004 000					
Less: Virement	(2 257 467)	450 746 522	450 520 485.41	226 047.59	0.05	128 272 952.97
<b>05. Research, Innovation and Training:</b>						
Original budget	43 396 000					
Plus: Virement	3 195 757	46 591 757	46 546 762.39	44 994.61	0.10	18 878 201.60
<b>06. Namibian National Commission for UNESCO:</b>						
Original budget	14 617 000					
Plus: Virement	2 918 175	17 535 175	16 128 037.82	1 407 137.18	8.02	10 767 527.61
<b>TOTAL</b>		<b>3 137 381 000</b>	<b>3 060 207 212.42</b>	<b>77 173 787.58</b>	<b>2.46</b>	<b>3 421 751 841.70</b>

ANNEXURE A (continue)

1.2 Standard subdivisions

Subdivision	2019/2020			2018/2019
	Authorized expenditure N\$	Actual expenditure N\$	Under-expenditure/ (Excess) N\$	Actual expenditure N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001.Remuneration	37 343 700	35 027 009.90	2 316 690.10	36 302 879.88
002.Employer's contribution to the G.I.P.F and M.P.O.O.B.P.F.	3 572 000	3 314 393.48	257 606.52	3 493 547.35
003.Other conditions of service	11 581 843	12 097 874.82	(516 031.82)	553 622.58
005.Employers contribution to the social security	116 000	103 366.35	12 633.65	108 244.60
<b>Total</b>	<b>52 613 543</b>	<b>50 542 644.55</b>	<b>2 070 898.45</b>	<b>40 458 294.41</b>
<b>Current expenditure: Goods and other services</b>				
021.Travel and subsistence expenses	3 752 607	3 737 344.43	15 262.57	2 872 337.60
022.Materials and supplies	743 000	742 778.00	222.00	502 388.96
023.Transport	1 950 000	1 879 359.07	70 640.93	2 642 049.81
024.Utilities	1 820 000	1 818 857.94	1 142.06	1 369 774.22
025.Maintenance expenses	133 000	132 760.74	239.26	56 910.91
027.Other services and expenses	754 208	749 062.73	5 154.27	6 636 607.77
028.Training course, symposium and workshops	438 385	438 219.53	165.47	307 335.30
029.Printing and advertisements	592 000	591 554.95	445.05	621 310.05
031.Entertainment politicians	115 000	105 451.68	9 548.32	37 923.29
033.Office refreshments	2 200	2 152.00	48.00	153 730.53
034.Official entertainment/Corporate gifts	-	-	-	7 638.00
<b>Total</b>	<b>10 300 400</b>	<b>10 197 541.07</b>	<b>102 858.93</b>	<b>15 208 006.44</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	822 200	822 170.00	30.00	831 659.67
<b>Total</b>	<b>822 200</b>	<b>822 170.00</b>	<b>30.00</b>	<b>831 659.67</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
047. Subsidies to other extra budgetary bodies	1 342 212 000	1 267 212 000.00	75 000 000.00	1 615 000 000.00
049. Support for non-profit organizations	1 668 286 800	1 668 286 799.80	0.20	1 713 935 179.94
053. Subsidies for state owned enterprises	37 160 057	37 160 057.00	-	15 323 215.00
<b>Total</b>	<b>3 047 658 857</b>	<b>2 972 658 856.80</b>	<b>75 000 000.20</b>	<b>3 344 258 394.94</b>
<b>Total: Current expenditure</b>	<b>3 048 481 057</b>	<b>2 973 481 026.80</b>	<b>75 000 030.20</b>	<b>3 345 090 054.61</b>
<b>Capital expenditure: Acquisition of assets</b>				
101.Furniture and office equipment	-	-	-	9 486.24
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 486.24</b>
<b>Total: Operational expenditure</b>	<b>3 111 395 000</b>	<b>3 034 221 212.42</b>	<b>77 173 787.58</b>	<b>3 400 765 841.71</b>
<b>Development:</b>				
<b>Capital expenditure: Acquisition of assets</b>				
106. Purchase of land and intangible assets	8 000 000	8 000 000.00	-	-
121.Government organizations	17 986 000	17 986 000.00	-	20 986 000.00
<b>Total: Development expenditure</b>	<b>25 986 000</b>	<b>25 986 000.00</b>	<b>-</b>	<b>20 986 000.00</b>
<b>GRAND TOTAL</b>	<b>3 137 381 000</b>	<b>3 060 207 212.42</b>	<b>77 173 787.58</b>	<b>3 421 751 841.70</b>

**ANNEXURE A (continue)**

**1.3 Departmental revenue**

Revenue for the financial year is as follows:

Revenue head	Estimate	Actual revenue 2019/2020	More/(Less) than estimated	Actual revenue 2018/2019
	N\$	N\$	N\$	N\$
Private telephone calls	-	1 520.04	1 520.04	-
Miscellaneous	-	15 283 378.96	15 283 378.96	-
<b>Total</b>	-	<b>15 284 899.00</b>	<b>15 284 899.00</b>	-

**1.4 Notes to the financial statements**

**1.4.1 Appropriation account: Explanations of variations exceeding 2% between the authorised and actual expenditure**

**Underexpenditure**

**Main division 02: Administration (N\$ 442 050.19 – 2.53%)**

Funds were underutilized due to vacancies which were not filled but were budgeted for.

**Main division 03: Higher Education (N\$ 75 030 375.67 – 2.88%)**

Funds budgeted for the Namibia University of Science and Technology (NUST) was not fully paid after the Ministry of Finance decided not to honour the last payment for subsidy for March 2020.

**Main division 06: Namibia National Commission for UNESCO (N\$ 1 407 137.18 – 8.02%)**

Vacancies which were budgeted for under this main division were not filled which resulted in the underutilization of funds.

**1.4.2 Departmental Revenue: Explanation of revenue exceeding N\$ 200 000 miscellaneous (N\$ 15 283 378.96)**

The amount of N\$ 15 000 000 was wrongly allocated to the Ministry instead of the Ministry of Agriculture. This matter was already taken up with the Ministry of Finance. The remaining amount was for reversals in respect of deductions from a staff member's salary for the repayment of a loan to NSFAP.

**ANNEXURE A (continue)**

**2. GENERAL INFORMATION**

**2.1 Capital projects**

The following are development projects of the Ministry as reflected in the General Ledger and the development budget:

Nature of project	Approved total budget	Total expenditure as at 31/03/2019	Approved appropriation 2019/2020	Actual expenditure 2019/2020	Total expenditure as at 31/03/2020	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of a Student Village in Windhoek	40 000 000	-	8 000 000	8 000 000	8 000 000	31/03/2022
Construction of New Office for the NCHE and ACTET	154 505 000	56 224 000	2 600 000	2 600 000	58 824 000	31/03/2021
Upgrading and Renovation of Old Power Station for NUST Satellite Campus in Luderitz	141 919 000	32 731 873	7 000 000	7 000 000	39 731 873	31/03/2023
Construction of Keetmanshoop Vocational Training Centre	117 000 000	42 993 000	3 686 000	3 686 000	46 679 000	31/03/2023
Construction of the National Science Technology and Innovation Valley in Windhoek	948 998 000	38 395 035	4 700 000	4 700 000	43 095 035	31/03/2025
<b>Total</b>	<b>1 402 422 000</b>	<b>170 343 908</b>	<b>25 986 000</b>	<b>25 986 000</b>	<b>196 329 908</b>	

**2.2 Bursaries and study assistance**

The Accounting Officer reported that the Ministry provided study assistance to two (2) staff members amounting to N\$ 33 259.50 to pursue studies at an institution of higher learning.

**2.3 Movable property received within the Government**

The Accounting Officer reported that the Ministry received furniture/assets from the Ministry of Education, Arts and Culture to the value of N\$ 199 520.00.

**2.4 Vehicles**

The Accounting Officer reported that the Ministry had fifteen (15) pool vehicles on hand as at 31 March 2020.

**2.5 Suspense accounts**

The final ledger shows the following eight (8) suspense account balances of the Ministry as at 31 March 2020 of which four (4) had credit balances and four (4) with debit balances:

Description	Balance as at 31 March 2020 Debit/(Credit)
	N\$
Receipt suspense account	(306 022.98)
S & T advance suspense account	208 301.99
Rejection account	(117 583.57)
Bills payable	(91 626.00)
Social Security	162.00
Pension Funds: GIPF	(55 061.84)
Debit establishment	6 240.78
First National Bank (Windhoek)	15 690.00

WINDHOEK, 2020-10-13

**DR. ALFRED VAN KENT**  
**ACCOUNTING OFFICER**

