



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF HIGHER EDUCATION,  
TECHNOLOGY AND INNOVATION**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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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, Technology and Innovation for the financial year ended 31 March 2023 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, FEBRUARY 2024**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

2020-2021

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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  
MINISTRY OF HIGHER EDUCATION, TECHNOLOGY AND INNOVATION  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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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, Technology and Innovation for the financial year ended 31 March 2023 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue and general information for the year then ended 31 March 2023, and notes to the financial statements.

In my opinion, the financial statements of the Ministry of Higher Education, Technology and Innovation as at 31 March 2023 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 International Organization of Supreme Audit Institutions (INTOSAI) 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 audit matters to report on.

**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 Higher Education, Technology and Innovation in the financial statements. My opinion is not modified in respect of these matters:

**1.4.1 Internal inspections**

The Accounting Officer reported under the Internal inspections statement, that payroll verification and head count inspection was carried out. However, no financial, stock and equipment inspections were carried out.

It is recommended that the Accounting Officer should ensure that financial, stock and equipment inspections are carried out.

**Management comment**

The Accounting Officer indicated that the Ministry acknowledges this finding and will put measures in place to address the finding and will consult other Ministries in this regard.



#### **1.4.2 Outstanding subsistence advances**

The Debit balance list reflects an amount of N\$ 13 168.46, while the S&T suspense account reflects a closing balance of N\$ 279 504.89 as at 31 March 2023, resulting in an unexplained difference of N\$ 266 336.43.

It is recommended that the Accounting Officer should ensure that reconciliations are conducted to avoid unexplained differences.

#### **Management comment**

The Accounting Officer indicated that the Ministry acknowledges and is aware of this finding, however the Ministry is lacking expertise as well as shortage of staff. The Ministry has approached the Ministry of Finance to assist with the long overdue suspense accounts.

#### **1.4.3 Suspense accounts**

##### **a) Bills payable**

The Bills Payable suspense account reflects a debit balance of N\$ 22 633.49 on 31 March 2023. However, this account should have a credit balance.

The Accounting Officer should ensure that the suspense account is reconciled on a regular basis.

#### **Management comment**

The Accounting Officer acknowledges and is aware of the finding. The Ministry is however lacking expertise as well as having shortage of staff. The Ministry will approach the Ministry of Finance for assistance.

##### **b) Receipt suspense**

The Receipt Suspense account reflects a credit balance of N\$ 630 439.12, 2023 which is an indication that revenue received and deposited was not allocated and disclosed to the respective revenue heads and no explanation was provided.

The Accounting Officer should ensure that revenue is correctly allocated to the respective revenue heads.

#### **Management comment**

The Accounting Officer acknowledges and is aware of the finding. The Ministry is however lacking expertise as well as having shortage of staff. The Ministry will approach the Ministry of Finance for assistance.

#### **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. 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 THE 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, Technology, and Innovation for the financial year ended 31 March 2023.

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

The audit aimed to determine whether the Ministry of Higher Education, Technology and Innovation used the appropriated funds in compliance with the Appropriation Act, 2022 (Act 2 of 2022); Appropriation Amendment Act, 2022 (Act 7 of 2022); 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 2023.

### **2.3 AUDIT OBJECTIVE**

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

- Appropriation Act, 2022 (Act 2 of 2022);
- Appropriation Amendment Act, 2022 (Act 7 of 2022);
- 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 2023 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 Unauthorized expenditure**

The following unauthorised 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, two (2) sub-divisions were exceeded with a total amount of N\$ 2 128.95 which is unauthorised in terms of Section 6 (a) (iii) of the Act.

It is therefore recommended that the Accounting Officer should closely monitor and review the financial position of the Ministry on a continuous basis to enable better financial control and take appropriate action timeously to avoid unauthorised expenditure.

#### **Management comment**

The Accounting Officer indicated that the Ministry took note and will enforce proper planning and monitoring of expenditure.

### **2.6.2 Annual stocktaking**

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.”*

In addition, the Office of the Prime Minister issued 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”.*

However, the Accounting Officer reported that annual stocktaking was not carried out during the financial year under review.

It is recommended that the Accounting Officer should ensure that annual stocktaking is conducted and should also ensure that Treasury Instruction KA 0901 and the Office of the Prime Minister Directive No.1 of 2018 are adhered to.

#### **Management comment**

The Accounting Officer indicated that the stock taking was not conducted due to lack of cooperation from Stocktaking Board members appointed from other ministries, as well as shortages of staff. The Ministry is in the process of assigning staff members who can carry out those duties.

### **2.6.3 Stores and depots**

Treasury Instruction KA 1501 states that; *“the Accounting Officer shall at the close of each financial year submit to the Auditor-General a statement and a copy thereof to the Treasury, in which the total value of the following is*

*indicating stores on hand at the beginning of the financial year, receipts, surpluses taken on charge, stores issued or written off and stores on hand during the end of the financial year''*

The Accounting Officer submitted a statement indicating the value of stock amounting to N\$ 583 843.50. was received during the financial year under review, whilst Treasury Instructions KA 1501 requires the Accounting Officer to submit a statement to the Auditor-General indicating the total value of stores on hand at the beginning of the financial year, received , issued , surpluses and stores on hand at the end of the financial year.

It is recommended that Accounting Officer should ensure that Treasury Instruction KA 1501 is complied with and should provide the correct annual statement in future.

### **Management comment**

The Accounting Officer indicated that due to lack of cooperation from Stock Taking Board members appointed from other Ministries as well as the shortage of staff members, proper stock taking was not done and no record was kept for the flow of stock.

## **2.7 QUALIFIED AUDIT OPINION ON THE SUBJECT METHODS**

In my opinion, except for the effects of the matters described in the Basis for Unqualified Audit Opinion paragraph, the Ministry of Higher Education, Technology and Innovation'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), Public Procurement Act, 2015 (Act 15 of 2015), Appropriation Act, 2022 (Act 2 of 2022), Appropriation Amendment Act, 2022 (Act 7 of 2022), Treasury Instructions, and Public Procurement Regulations.

## **3. AUDIT OF PERFORMANCE INFORMATION**

I conducted an audit on the performance information of the Ministry of Higher Education, Technology, and Innovation for the financial year ended 31 March 2023.

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

A Performance Management System (PMS) is 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, Technology and Innovation 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 two (2) key performance indicators were selected from the 2022/2023 annual plan:

Strategic objective	Project	KPI
Improve access to and quality of vocational education and training	*VET Construction	# of vocational training centers constructed
Enhance UNESCO (Namibia) participation globally, regionally and nationally	Programme Development and Implementation	% increase of Namibia's involvement in partner National Commissions for UNESCO and UNESCO

**\*Vocational Education and Training (VET)**

### **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.

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 scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Strategic Plan (2017/2018-2021/2022) and the Annual Plan of the Ministry of Higher Education, Training and Innovation for the financial year 2022/2023. Key performance indicators were selected based on what would be significant to the intended users, their usefulness and reliability in assessing the Ministry achievements in terms of its service performance objectives.

### **3.5 KEY AUDIT FINDINGS**

The audit found that:

- (i) The targeted Key Performance Indicator % increase of Namibia's involvement in partner National Commissions for UNESCO and UNESCO was not cascaded to the annual plan.
- (ii) The targeted Key Performance Indicator requested information such as the quarterly reviews for VET was not provided for audit purposes leading to audit scope limitation hence the KPI audit could not be carried out further.

It is highly recommended that the Accounting Officer should ensure that the selected KPI for UNESCO is cascaded to the annual plan. Furthermore, the Accounting Officer should provide the above mentioned information.

#### **Management comment**

The Accounting Officer indicated that the Ministry acknowledges this finding and will put measures in place to carry out this task promptly in the 2023/2024 financial year. The main reason for this shortcoming is lack of staff.

### **3.6 CONCLUSION ON THE SUBJECT MATTER**

The outcome of the audit is not satisfactory as the auditor could not verify the selected KPIs, as the selected KPI for UNESCO is not cascaded to the annual plan and the requested information for TVET was not provided for audit purpose leading to audit scope limitation hence the KPI audit could be carried out further.

## **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 compliance 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 concerned, 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, 2022 (Act 2 of 2022), the Appropriation Amendment Act, 2022 (Act 7 of 2022), 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 for 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 comply 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 based on 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 audit compliance 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 to design audit procedures that are appropriate in the circumstances, but not to express 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.

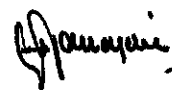
It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds are, in all material respect comply with the Appropriation Act 2022, (Act 2 of 2022), the Appropriation Amendment Act, 2022 (Act 7 of 2022), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement regulations. I have conducted the audit in compliance with the 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 complies 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 appropriation was submitted timeously by the Accounting Officer to the Auditor-General on 31 October 2023 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, Technology and Innovation during the audit is appreciated.



**WINDHOEK, FEBRUARY 2024**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

		2022/2023				2021/2022
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	1 943 000					
Additional budget	500 000					
Plus: Virement	861 000	3 304 000	3 070 235.95	233 764.05	7.08	2 076 449.01
<b>02. Administration:</b>						
Original budget	20 104 000					
Additional budget	2 400 000					
Less: Virement	(1 868 000)	20 636 000	19 151 251.18	1 484 748.82	7.19	22 576 210.43
<b>03. Higher Education:</b>						
Original budget	2 828 918 000					
Additional budget	166 620 000					
Less: Virement	(16 866 000)	2 978 672 000	2 977 655 939.75	1 016 060.25	0.03	2 808 611 868.22
<b>04. Vocational and Technical Training:</b>						
Original budget	419 543 000					
Additional budget	506 000					
Plus: Virement	17 495 000	437 544 000	435 441 937.85	2 102 062.15	0.48	419 550 219.73
<b>05. Science and Technology:</b>						
Original budget	38 496 000					
Additional budget	250 000					
Plus: Virement	1 430 000	40 176 000	39 251 305.38	924 694.62	2.30	37 570 138.69
<b>06. Namibia National Commission for UNESCO:</b>						
Original budget	16 096 000					
Additional budget	270 000					
Less: Virement	(1 052 000)	15 314 000	14 553 221.61	760 778.39	4.97	13 272 535.92
<b>07. Namibia Qualification Authority (NQA):</b>						
Original budget	-	-	-	-	-	5 500 000.00
<b>Total</b>		<b>3 495 646 000</b>	<b>3 489 123 891.72</b>	<b>6 522 108.28</b>	<b>0.19</b>	<b>3 309 157 422.00</b>

## ANNEXURE A (continued)

## 1.2 Standard subdivisions

Subdivision	2022/2023			2021/2022
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	37 009 000	34 959 445.28	2 049 554.72	34 946 450.40
002. Employer's contribution to the G.I.P.F and M.P.O.O.B.P.F.	4 880 000	4 103 807.23	776 192.77	4 087 116.65
003. Other conditions of service	12 715 000	12 449 420.14	265 579.86	10 485 175.71
005. Employers contribution to the social security	114 000	95 864.78	18 135.22	99 986.35
<b>Total</b>	<b>54 718 000</b>	<b>51 608 537.43</b>	<b>3 109 462.57</b>	<b>49 618 729.11</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	3 467 300	3 026 361.85	440 938.15	986 840.99
022. Materials and supplies	872 000	756 893.84	115 106.16	569 941.61
023. Transport	2 359 000	2 292 001.74	66 998.26	1 572 444.26
024. Utilities	1 638 000	1 333 200.99	304 799.01	1 309 173.44
025. Maintenance expenses	13 000	12 410.00	590.00	60 878.82
027. Other services and expenses	7 334 700	7 000 079.55	334 620.45	2 515 745.16
<b>Total</b>	<b>15 684 000</b>	<b>14 420 947.97</b>	<b>1 263 052.03</b>	<b>7 015 024.28</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	1 138 000	967 912.52	170 087.48	998 668.61
<b>Total</b>	<b>1 138 000</b>	<b>967 912.52</b>	<b>170 087.48</b>	<b>998 668.61</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
043. Government organizations	3 346 268 000	3 346 267 999.97	0.03	3 186 000 000.00
044. Individual and non-profit organizations	4 115 000	2 772 123.66	1 342 876.34	525 000.00
<b>Total</b>	<b>3 350 383 000</b>	<b>3 349 040 123.63</b>	<b>1 342 876.37</b>	<b>3 186 525 000.00</b>
<b>Total: Current expenditure</b>	<b>3 421 923 000</b>	<b>3 416 037 521.55</b>	<b>5 885 478.45</b>	<b>3 244 157 422.00</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	389 000	213 787.87	175 212.13	-
<b>Total :</b>	<b>389 000</b>	<b>213 787.87</b>	<b>175 212.13</b>	<b>-</b>
<b>Total : Operational expenditure</b>	<b>3 422 312 000</b>	<b>3 416 251 309.42</b>	<b>6 060 690.58</b>	<b>3 244 157 422.00</b>
<b>Development:</b>				
<b>Capital expenditure: Acquisition of assets</b>				
116. Purchase of land and intangible assets	6 600 000	6 138 582.30	461 417.70	11 500 000.00
131. Government organizations	66 734 000	66 734 000.00	-	53 500 000.00
<b>Total: Development expenditure</b>	<b>73 334 000</b>	<b>72 872 582.30</b>	<b>461 417.70</b>	<b>65 000 000.00</b>
<b>GRAND TOTAL</b>	<b>3 495 646 000</b>	<b>3 489 123 891.72</b>	<b>6 522 108.28</b>	<b>3 309 157 422.00</b>

**1.4 Notes to the financial statements**

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

**Underexpenditure**

**Main division 01: Office of the Minister (N\$ 233 764.05 – 7.08%)**

The underexpenditure is due to daily subsistence allowance (DSA) whereby Minister and the assigned driver and bodyguard did not attend all the planned meetings for the financial year.

**Main division 02: Administration (N\$ 1 484 748.82 – 7.19%)**

The underexpenditure is attributed to vacant positions (Deputy Director: Security & Risk Management and Chief Accountant) which could not be filled in the financial year under review and related costs that goes with the appointment of staff members. The underexpenditure is also due to daily subsistence allowances (DSA) whereby staff members did not attend the intended trainings which resulted in saving under Training courses and symposiums. The other under- expenditure is as a result of saving under Utilities and in most cases the invoices for March are only paid in April.

**Main division 05: Science and Technology (N\$ 924 694.62 – 2.30%)**

The underexpenditure is attributed to the Deputy Director and two Science and Technology Officers that were budgeted for in the 2022/2023 financial year were duly filled in 2023/2024 financial year and related expenses for appointment also resulted in savings.

**Main division 06: Namibia National Commission for UNESCO (N\$ 760 778.39 – 4.97%)**

The underexpenditure is attributed to the vacant positions for Deputy Director and Private Secretary which were budgeted for were not filled in the year under review. The under-expenditure was also due to favourable exchange rates for foreign payments for membership fees that was paid to UNESCO office in Paris France.

**2. GENERAL INFORMATION**

**2.1 Outstanding subsistence advances**

The Accounting Officer reported outstanding advances amounting to N\$ 13 168.46 as at 31 March 2023.

**ANNEXURE A (continued)**

**2.2 Capital projects**

The following are the development projects of the Ministry as reflected in the general ledger and the development budget:

<b>Nature of project</b>	<b>Approved total budget</b>	<b>Total expenditure as at 31/03/2022</b>	<b>Approved appropriation 2022/2023</b>	<b>Actual expenditure 2022/2023</b>	<b>Total expenditure as at 31/03/2023</b>	<b>Expected year of completion</b>
	N\$	N\$	N\$	N\$	N\$	
Construction of a Student Village in Windhoek	100 000 000	37 200 000	6 600 000	6 138 582.30	43 338 582.30	31/03/2025
Construction of New Office for the NCHE and ACTET	154 505 000	66 024 000	4 333 000	4 333 000.00	70 357 000.30	31/03/2025
Upgrading and Renovation of Old Power Station for NUST Satellite Campus in Luderitz	141 919 000	72 731 873	20 000 000	20 000 000.00	92 731 873.00	31/03/2025
Upgrading and Renovation of Keetmanshoop Vocational Training Centre	117 000 000	51 479 000	2 000 000	2 000 000.00	53 479 000.00	31/03/2025
Construction of Parking Facilities and Postgraduate Research Center	300 000 000	6 000 000	5 000 000	5 000 000.00	11 000 000.00	31/03/2026
Construction of a Consolidated Campus in Kleine Kuppe	142 542 000	5 200 000	3 000 000	3 000 000.00	8 200 000.00	31/03/2026
Construction of Lecture Halls Phase 1 at Southern Campus	95 580 000	54 500 000	13 000 000	13 000 000.00	67 500 000.00	31/03/2025
Construction of Veterinary Teaching Hospital for Small Animals	-	3 500 000	6 401 000	6 401 000.00	9 901 000.00	31/03/2025
Construction of Scholl of Medicine Phase 3 at Hage Geingob Campus	-	2 000 000	5 000 000	5 000 000.00	7 000 000.00	31/03/2025
Construction of Students Hostels at Jose Eduardo do Santos Campus	-	-	8 000 000	8 000 000.00	8 000 000.00	31/03/2025
<b>Total</b>	<b>1 051 546 000</b>	<b>298 634 873</b>	<b>73 334 000</b>	<b>72 872 582.30</b>	<b>371 507 455.30</b>	

**ANNEXURE A (continued)**

**2.3 Bursaries and study assistance**

The Accounting Officer reported that the Ministry provided study assistance to seven (7) staff members amounting to N\$ 68 637.50.

**2.4 Vehicles (Government Garage)**

As of 31 March, 2023, the Accounting Officer reported that the Ministry had eleven (11) permanently allocated vehicles, consisting of five (5) sedans and six (6) pick-ups/combies.

**2.5 Suspense accounts**

The final ledger shows the following eight (8) suspense account balances of the Ministry as at 31 March 2023 of which three (3) had credit balances and five (5) had debit balances:

<b>Description</b>	<b>Balance as at 31 March 2023 Debit/(Credit)</b>
	N\$
Receipt Suspense Account	(630 439.12)
S&T Advance Suspense Account	279 504.89
Rejection Account	(740 438.75)
Bills Payable	22 633.49
Social Security	162.00
Pension Funds: GIPF	(69 575.56)
First National Bank (Windhoek)	15 690.00
Debt establishment	6 240.78

**WINDHOEK, 2023-08-30**

**DR. ALFRED VAN KENT  
ACCOUNTING OFFICER**

