



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MINISTRY OF GENDER EQUALITY, POVERTY ERADICATION AND SOCIAL WELFARE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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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 Gender Equality, Poverty Eradication and Social Welfare for the financial year ended 31 March 2022 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'.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

WINDHOEK, FEBRUARY 2023

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DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time to time withhold 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.
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.
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).
Types of Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p>Disclaimer Opinion. 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>Adverse Opinion. 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>
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.
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
OMA:	Office/Ministry/Agency

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF GENDER EQUALITY, POVERTY ERADICATION AND SOCIAL
WELFARE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Ministry of Gender Equality, Poverty Eradication and Social Welfare for the financial year ended 31 March 2022, provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation Account, Standard subdivisions and Departmental revenue notes to the financial statements, and general information for the year ended and other explanatory information.

In my opinion, the financial statements of the Ministry of Gender Equality, Poverty Eradication and Social Welfare as at 31 March 2022 are prepared, in all material respects, in accordance with Section 12 and 13 of the State Finance Act, 1991(Act 31 of 1991).

1.2 BASIS FOR UNQUALIFIED AUDIT OPINION

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

1.3 KEY AUDIT MATTERS

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

1.4 EMPHASIS OF MATTERS

Attention is drawn for management on the following matters that relate to my responsibility in the audit of the financial statements, as disclosed by the Ministry of Gender Equality, Poverty Eradication and Social Welfare in the financial statements. My opinion is not modified in respect of these matters:

1.4.1 Declaration of remunerative work outside the public service

The Public Service Act, 1995 (Act 13 of 1995) Section 17(1) and (2) states that:

"(1) Unless it is otherwise provided for in his or her conditions of service -

(b) no staff member or member of the services shall perform or engage himself or herself to perform remunerative work at any time outside his or her employment in the Public Service.

(2) Notwithstanding the provisions of subsection (1)(b), and on the advice of the Commission –

(a) The Executive Director concerned may grant permission to any staff member other than mentioned in paragraph (b) and (c) or to any member of the services to perform or engage himself or herself to perform remunerative work outside her or his work in the Public Service, provided that if such work is in any way related to the official duties or work of the staff member or member of the services or in any way hamper the performance of her official duties”.

The audit found that a staff member at the Ministry owns a 10% members interest in a company which provided services to the Ministry, but the declaration of interest form found on the staff member's file did not indicate the staff member's interest in this particular close corporation. The Accounting Officer indicated in the response to the management letter, that the staff member denies the allegation that she owns 10% interest in the company. The audit however, found that the staff member indeed owned 10% interest in the close corporation as per external confirmation received from the Business Intellectual Property Authority (BIPA) and that amendments were made to the corporation ownership to remove the staff member as member of the close corporation on 13 October 2022, after the audit queries were issued to the Ministry.

In addition, the audit found that a company was awarded a bid while submitting an invalid company registration certificate. The company registration certificate document is a founding statement (CC1), while the page reflecting the member's interest is from an amended founding statement (CC2) document. This is indicative that the document is invalid. The Accounting Officer in the response to the management letter indicated that this was an oversight by the Procurement Committee and comparisons were made with another bid submitted by the close corporation and the owner is indeed the same person as reflected on the amended founding statement submitted for bid.

The audit also reviewed the bidding documents submitted by a company with a value of N\$ 146 498.20 and of N\$ 180 454.78 respectively and found that said staff member was involved in the procurement process for these two bids. This is conflict of interest from the staff member.

It is recommended that the Accounting Officer should provide an explanation why the staff member that is involved in the procurement department of the Ministry is allowed to participate in the tender process. It is further recommended that the Accounting Officer should ensure that staff members conducting remunerative work seek approval and declare their work as per Section 17 (1) and (2) of the Public Service Act, 1995 (Act 12 of 1995).

Management comment

The Accounting Officer indicated that the Human Resource within the Ministry did an investigation and found that the staff member concern did own a 10% interest in the company, which provided services to the Ministry. The Accounting Officer will continue with the investigation and disciplinary measures will be taken against the staff member in terms of Section 24 and 25 of the Public Service Act, 1995 (Act 13 of 1995).

1.5 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 Gender Equality, Poverty Eradication and Social Welfare in the financial statements. My opinion is not modified in respect of these matters:

1.5.1 Risk management

It was noted that the Ministry does not have a risk management framework in place and that there was no formal risk identification, assessment/review carried out for the year under review. Thus potential weaknesses might not be identified so that risk-handling activities are implemented to mitigate the adverse impacts on achieving the Ministry's objectives.

The Ministry should establish and maintain a risk management policy that:

- Defines the Ministry's approach to the management of risk and how this approach supports its strategic plans and objectives;
- Defines the Ministry's risk appetite and risk tolerance;
- Contains an outline of key accountabilities and responsibilities for managing and implementing the Ministry's risk management framework; and
- Is endorsed by the Ministry's accountable authority.

The Accounting Officer explained that the Ministry takes note of the audit finding and recommendation on the absence of the risk management framework within the Ministry.

It is recommended that the Accounting Officer should ensure that the Ministry establishes and maintains a risk management policy for planning and performing the risk management processes to identify, analyse and mitigate the risks that can affect the Ministry, to maximise potential opportunities and minimise the adverse effects of risks.

1.6 OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Gender Equality, Poverty Eradication and Social Welfare for the financial year ended 31 March 2022.

2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

The audit aimed to determine whether the Ministry of Gender Equality, Poverty Eradication and Social Welfare's financial performance and the use of its appropriated funds is in compliance with the Appropriation Act, 2021 (Act 1 of 2021); Appropriation Amendment Act, 2021 (Act 4 of 2021); 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 2022.

2.3 AUDIT OBJECTIVE

The objective of this compliance audit is to verify and assess the Ministry of Gender Equality, Poverty Eradication and Social Welfare 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 limited 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, 2021 (Act 1 of 2021);
- Appropriation Amendment Act, 2021 (Act 4 of 2021);
- 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 METHOD APPLIED

I have audited the financial statements for the financial year ended 31 March 2022 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 KEY AUDIT FINDINGS

2.6.1 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 authorization was obtained to utilize certain expected savings for the defrayal of expenditure by way of virements during the year, one (1) operational subdivision was exceeded with a total amount of N\$ 1 583.13 and one (1) development subdivision was exceeded by a total amount of N\$ 445 553.82. These excesses are unauthorized in terms of Section 6 (a) (iii) of the Act.

It is recommended that the Accounting Officer should put control measures in place to avoid unauthorized expenditure in future.

Management comment

The Accounting Officer took note of the recommendation and will put measures in place to avoid unauthorized expenditure in future.

2.6.2 Underexpenditure

The Ministry realized the following underexpenditure on six (6) main divisions of more than 2%. 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.”*

The total underexpenditure for the year amounted to N\$ 35 285 402.20.

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

2.7 OPINION ON THE SUBJECT MATTER

In my opinion, the Ministry of Gender Equality, Poverty Eradication and Social Welfare’s financial performance and use of appropriated funds is in compliance, in all material respects, with the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instruction, Public Procurement Regulations, Appropriation Act, 2021 (Act 1 of 2021); and Appropriation Amendment Act, 2021 (Act 4 of 2021). The evidence obtained is sufficient and appropriate to provide a basis for my opinion that the subject matter is compliant, in all material respects, with the applicable criteria.

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Ministry of Gender Equality, Poverty Eradication and Social Welfare for the financial year ended 31 March 2022.

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 (NDPs) 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 Gender Equality, Poverty Eradication and Social Welfare and the 2020-2024 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 KPI was selected for audit:

KPI	Target	Actual
Number of individual persons with disabilities supported	400	446

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.

The 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 is based on the selected criteria.

3.3 AUDIT CRITERIA

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

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

3.4 SUMMARY OF METHODS APPLIED

Auditors reviewed the Strategic Plan, 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 year under review 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 KEY AUDIT FINDINGS

3.5.1 Annual review

The Public Service Management Circular, 2015 (No 9 of 2015) requires each OMA to forward a copy of the annual review matrix and quarterly review matrix to Office of the Prime Minister by 30 April each year.

The performance information was tested for timeliness and the Ministry could not provide supporting documents/evidence that the Ministry's annual review matrix was submitted in a timely manner as per the annual performance management process timetable to the Office of the Prime Minister (OPM).

The performance information is not reported as per the timeframes set out in the annual performance management process. There is a risk that it might lose its capacity to be useful and non-submission of audit information may result in an audit scope limitation.

It is recommended that the Accounting Officer should ensure that the Ministry's annual review was submitted to the Office of the Prime Minister timely.

4. CONCLUSION

The audit found a satisfactory outcome on the criteria tested, except for the timeliness criteria as the audit could not determine if the Ministry's annual review matrix was submitted in a timely manner as per the annual performance management process timetable to the Office of the Prime Minister (OPM).

5. 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 2021(Act 1 of 2021), Appropriation Amendment, Act, 2021 (Act 4 of 2021), State Finance Act,1991(Act 31 of 1991), Public Procurement Act,2015 (Act 15 of 2015), 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.

6. 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, 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 auditor's 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 auditor's 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 in compliance with the Appropriation Act, 2021 (Act 1 of 2020), Appropriation Amendment Act, 2021 (Act 4 of 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.

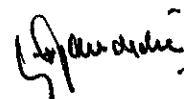
7. GENERAL INFORMATION

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

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 30 August 2022 in terms of Section 13 of the State Finance Act, 1991 (Act 31 of 1991).

8. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Ministry of Gender Equality, Poverty Eradication and Social Welfare during the audit is appreciated.



WINDHOEK, FEBRUARY 2023

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2021/2022						2020/2021
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	7 243 000					
Plus: Virement	1 663 500	8 906 500	8 434 151.96	472 348.04	5.30	8 827 065.70
02. Administration and General Services:						
Original budget	147 612 000					
Plus: Virement	17 191 550	164 803 550	157 809 391.61	6 994 158.39	4.24	144 252 156.68
03. Gender Equality and Women's Empowerment:						
Original budget	27 421 000					
Less: Virement	(4 908 700)	22 512 300	21 542 399.36	969 900.64	4.31	19 541 025.27
04. Community Development and Poverty Eradication:						
Original budget	45 047 000					
Less: Virement	(4 166 000)					
Less: Suspension	(400 000)	40 481 000	40 154 064.55	326 935.45	0.81	77 708 868.74
05. Child Care and Protection:						
Original budget	70 478 000					
Less: Virement	(11 908 000)	58 570 000	57 811 079.62	758 920.38	1.30	15 247 713.90
06. Social Protection Services:						
Original budget	5 010 649 000					
Additional budget	15 311 000					
Plus: Virement	5 626 000	5 031 586 000	5 019 073 136.31	12 512 863.69	0.25	4 977 069 129.65
07. Disability Affairs:						
Original budget	20 426 000					
Less: Virement	(369 800)	20 056 200	19 371 719.62	684 480.38	3.41	18 367 659.85
08. Policy, Planning and Research:						
Original budget	27 983 000					
Plus: Virement	696 650	19 279 650	9 530 217.43	9 749 432.57	50.57	6 931 072.28
Less: Suspension	(9 400 000)					
09. Garden Services:						
Original budget	87 936 000	84 110 800	81 294 437.34	2 816 362.66	3.35	93 027 629.73
Less: Virement	(3 825 200)					
Total		5 450 306 000	5 415 020 597.80	35 285 402.20	0.65	5 360 972 321.80

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2021/2022		2020/2021	
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	187 601 500	185 612 085.38	1 989 414.62	184 261 235.02
002. Employer's contribution to the G.I.P.F. and M.P.O.O.B.P.F	22 552 000	22 406 699.85	145 300.15	22 749 115.45
003. Other conditions of service	3 170 000	2 776 066.45	393 933.55	4 549 433.46
005. Employer's contribution to the Social Security	692 450	685 497.63	6 952.37	700 111.17
Total	214 015 950	211 480 349.31	2 535 600.69	212 259 895.10
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	6 716 000	5 896 350.25	819 649.75	4 080 278.65
022. Materials and supplies	67 180 000	67 777 188.25	402 811.75	67 000 590.71
023. Transport	30 735 050	26 566 358.23	4 168 691.77	27 210 590.67
024. Utilities	24 942 000	23 222 659.14	1 719 340.86	17 244 021.78
025. Maintenance expenses	1 376 000	1 356 928.39	19 071.61	858 786.68
026. Property rental and related charges	8 288 000	7 887 284.44	400 715.56	7 704 079.57
027. Other services and expenses	193 601 000	188 589 808.49	5 011 191.51	184 752 586.55
Total	332 838 050	320 296 577.19	12 541 472.81	308 850 934.61
Current expenditure: Subsidies and other current transfers				
041. Membership fees and subscription: International	2 201 000	2 200 198.96	801.04	-
043. Government organizations	54 318 000	54 318 000.00	-	93 425 315.07
044. Individuals and non-profit organizations	4 829 850 000	4 819 254 559.88	10 595 440.12	4 743 626 483.56
Total	4 886 369 000	4 875 772 758.84	10 596 241.16	4 837 051 798.63
Total: Current expenditure	5 433 223 000	5 407 549 685.34	25 673 314.66	5 358 162 628.34
101. Furniture and office equipment	3 330 000	3 327 741.26	2 258.74	-
Total:	3 330 000	3 327 741.26	2 258.74	-
Total: Operational expenditure	5 436 553 000	5 410 877 426.60	25 675 573.40	5 358 162 628.34
Development:				
Capital expenditure: Acquisition of assets				
115. Feasibility studies, design and supervision	700 000	260 034.60	439 965.40	205 715.49
116. Purchase of land and intangible assets	934 613	934 613.00	-	-
117. Construction, renovation and improvement	12 118 387	2 948 523.60	9 169 863.40	2 386 499.21
Total: Development expenditure	13 753 000	4 143 171.20	9 609 828.80	2 592 214.70
GRAND TOTAL	5 450 306 000	5 415 020 597.80	35 285 402.20	5 360 754 843.04

ANNEXURE A (continued)**1.3. Departmental revenue**

Revenue for the financial year is as follows:

Revenue head	Estimate	Actual revenue 2021/2022	More/(less) than estimated	Actual revenue 2020/2021
	N\$	N\$	N\$	N\$
Private telephone calls	-	8 474.79	8 474.79	900.00
Miscellaneous	200 000	6 382 883.37	6 182 883.37	5 860 358.18
Renting of halls	150 000	126 350.00	(23 650.00)	140 068.64
Total	350 000	6 517 708.16	6 167 708.16	6 001 326.82

1.4 Notes to the audited financial statements**1.4.1 Appropriation account: Explanations of variations exceeding 2% between authorized and actual expenditure****Underexpenditure****Main division 01: Office of the Minister (N\$ 472 348.04- 5.30%)**

The underexpenditure of N\$ 472 020.04 (5.30%) was mainly on subsistence and travelling allowance, transport, utilities and other services and expenses. The underexpenditure on subsistence and travel allowance was due to budgetary provisions made for the honorable Minister to travel to New York during March 2022, but due to unforeseen circumstances she did not travel. The underexpenditure on transport was due the Government Garage submitting invoices for services rendered only up to October 2021 and some invoices had two purchase orders, whereby only one was paid with the corresponding invoice and the other were cancelled, hence the underexpenditure. The underexpenditure on utilities was due to airtime and contract payments to MTC which were not paid for March 2022, due to invoices not received before the cut-off date to submit payments for the 2021/2022 financial year. The underexpenditure on other services and expenditure was due to anticipated expenditure for refreshment and entertainment for the Minister and Deputy Minister that was less than budgeted for.

Main division 02: Administration and General Services (N\$ 6 994 158.39- 4.24%)

The underexpenditure of N\$ 6 994 158.39 (4.42%) was mainly on subsistence and travelling allowances, transport, utilities, property rental and other services and expenses. The underexpenditure on subsistence and travelling allowance was due to the fact that some advances were paid for planned activities in April 2022, while some trips ended in April 2022 only. The claims for these trips were only processed in April 2022. The underexpenditure on transport was due to technical errors by Government Garage who submitted invoices only up to October 2021 for payment. The underexpenditure on utilities were due to outstanding invoices for March 2022 for telephone and municipal charges which were not received timely for payment, before the closing of the financial year. The underexpenditure on property rental was due to invoices for rental charges for March 2022 that were submitted after the payment cut-off date for the financial year ending March 2022. The underexpenditure on other services and expenses was due to goods and services in process of delivery for printing and the invoice was issued on 31 March 2022, one invoice could not be paid, because the original purchase order and invoice got lost and a duplicate invoice was not submitted on time for payment. In addition, a refund for entertainment was not paid due to incorrect banking details.

Main division 03: Gender Equality and Women's Empowerment (N\$ 969 900.64 - 4.31%)

The underexpenditure of N\$ 969 900.64 (4.31%) was mainly on subsistence and travelling allowance and other services and expenses. The underexpenditure on subsistence and travelling allowance was due to the fact that the Regional Supervision and Directorate mid-term review did not take place as planned. The underexpenditure on other expenses was due to two purchase orders that were processed twice, as some suppliers have more than one code on the payment system. The incorrect supplier codes were selected to print the purchase order, but was omitted to be cancelled, before the correct purchase with the correct supplier codes were re-captured for payment. In addition, a conference booked during March 2022 was cancelled due to a request by the Prime Minister that it should be held virtually, this resulted in a further underexpenditure.

Main division 07: Disability Affairs (N\$ 684 480.38 - 3.41%)

The underexpenditure of N\$ 684 480.38 (3.41%) was mainly on personnel expenditure due to staff turnover. Provisions were made for severance allowances and leave gratuity to be paid to staff that passed away in December 2021, but the tax directives were not received timely to make the respective payments.

Main division 08: Policy, Planning and Research (N\$ 9 749 432.57 – 50.57%)

The underexpenditure of N\$ 9 749 432.57 (50.47%) was mainly on subsistence travelling allowances, other services and expenses and capital projects. The underexpenditure on subsistence travelling allowances was due to outstanding advances of which return date of the trip was only 02 April 2022. The underexpenditure on other services and expenses was due to an invoice for the annual planning and team building held in March 2022 which was submitted for payment after the payment cut-off date for the financial year ending 31 March 2022.

In addition, there was an underexpenditure on the development budget of N\$ 9 609 828.80 on various capital project. This underexpenditure was realised on the following capital projects:

Construction of Keetmanshoop Community Empowerment Centre: The project did not take off during the financial year due to the procurement process that was not completed, as the responses from the bidders were not received timely and only the professional fees to the consultants for documentation were paid, thus an underexpenditure of N\$ 4 637 059.97.

Construction and Renovation of Regional and Constituencies Offices: Budgetary provisions were made for the purchasing of land in Eenhana and Gibeon Local Authorities, but invoices were not received on time from the two local authorities, resulting in an underexpenditure amounting to N\$ 1 654 446.18.

Construction and Renovation of Home of Safety and shelters: The underexpenditure to the amount of N\$ 326 741.26 was due to the Bill of Quantities for the identified work to be done at Gender Based Violence Shelters in Opuwo, Eenhana and Rundu that were not finalized by the Regional Councils. As a result, the funds budgeted for this project, could not be spend.

Renovation and Maintenance of Namibia Children's Home: The underexpenditure amounting to N\$ 406 034.24 was due to the procurement process that could not be finalised timely.

Renovation of After School Centre: A purchase order issued for renovations at the After School Centre, to the amount of N\$ 332 533.56 was paid from the incorrect account code resulting in the underexpenditure of N\$ 353 000.00.

Construction of Nkurenkuru Community Empowerment Centre: Underexpenditure to the amount of N\$ 200 000.00 was due to the procurement process that could not be finalized to appoint a consultant for design and documentation during 2021/2022 financial year.

Renovation and upgrading of Farm Kaukurus No. 79, Unit B: The underexpenditure was due to ongoing renovations at the farm for two purchase orders to the amount of N\$ 678 636.39 that were not paid before the end of the financial year, since the work was not complete. In addition, a consultant to do a feasibility study at the farm could not be appointed due to procurement procedures that could not be completed, resulted in a total underexpenditure of N\$ 2 032 546.79.

Main division 09: Garden Services Research (N\$ 2 816 362.66 – 3.35%)

The underexpenditure of N\$ 2 816 362.66 (3.35%) was mainly on personnel expenditure, subsistence and travelling allowance and other services and expenses. The underexpenditure on personnel expenditure was due a staff member that resigned end of February 2022 and the salary was recalled and reversed on payroll. The underexpenditure on subsistence and travelling allowance was due to claims received after the closing of the 2021/2022 financial year. The underexpenditure on other services and expenses was due to a delay in the delivery of food items procured for the Marginalized Communities Special Feeding programme from the respective supplier and payment was done after closing of the 2021/2022 financial year. Furthermore, invoices from institutions from higher learning were received late hence payment was effected after closing of the financial year.

1.4.2 Ministerial /departmental revenue explanation exceeding N\$ 200 000

Underestimation

Miscellaneous (N\$ 6 182 883.37)

The actual amount received for miscellaneous revenue was more than expected, due to the fact that the amount budgeted was only an estimation and the actual amount received, includes the refund on maintenance and foster parent grants, refund of housing overpayments and GIPF, Ministerial debt, Cellphone top-up, tender documents, refunds from Regional Councils and renting halls from the previous financial years.

2. GENERAL INFORMATION

2.1 Bank accounts

The Accounting Officer reported the following bank accounts with closing balances as at 31 March 2022:

Account name	Balance as at 31 March 2022
	N\$
Gender Mainstreaming	508 629.57
Country Programme Action Plan	16 746.22
Namibia Childrens' Home	944 517.93
Rural Women's Economic Empowerment	883 503.72
Early Childhood Development –European Union	26 414 253.73
Ministry of Poverty Eradication and Social Welfare (UNICEF Account)	6 255 461.83
Ministry of Poverty Eradication and Social Welfare (Donation Account)	9 190.00
Ministry of Poverty Eradication and Social Welfare (Call Account)	257 166.55
San Development Programme	1 317 652.76

2.2 Bursary and study assistance

The Accounting Officer reported that the Ministry assisted nine (9) staff members with an amount of N\$ 313 967.50 in respect of study assistance during the financial year under review.

2.3 Outstanding commitments

The Accounting Officer reported outstanding commitments on eight (8) main divisions amounting to N\$ 3 290 553.57 as at 31 March 2022.

2.4 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances amounting to N\$ 255 487.42 as at 31 March 2022.

2.5 Movable property transferred within Government

The Accounting Officer reported that the Ministry transferred movable goods to the value of N\$ 10 753 250.00 to all fourteen (14) Regional Councils as per the decentralization policy of the Ministry.

2.6 Wellness

The Accounting Officer reported expenditure amounting to N\$ 96 810.39 in respect of wellness activities during the year under review.

2.7 Debt to Government

The Accounting Officer reported outstanding debt to the Government amounting to N\$ 228 508.81 as at 31 March 2022.

2.8 Annual stocktaking

The Accounting Officer reported stocktaking conducted at one (1) stock point, and a total value of stock N\$ 5 006 9800.00, worn out and damaged stock worth N\$ 16 770.00 and obsolete and redundant items worth N\$ 11 400.00 were reported for the year under review.

2.9 Donations to Government

The Accounting Officer reported that the Ministry received donations with the necessary Treasury approvals of various goods to the value of N\$ 10 980.00. Furthermore, the Accounting Officer reported N\$ 16 143 782.59 received through the Ministry's commercial bank accounts.

2.10 Fixed property bought

The Accounting Officer reported that the Ministry bought six (6) plots for an amount of N\$ 934 613.00.

2.11 Accidents - cost of damages

The Accounting Officer reported an opening balance of one hundred and one (101) vehicles to be repaired as at 01 April 2021 and ten (10) accidents for the year under review. Six (6) vehicles were repaired at a cost of N\$ 340 580.55 and one hundred and five (105) vehicles are still to be repaired as at 31 March 2022.

2.12 Deficits

The Accounting Officer reported deficits amounting to N\$ 2 600.00 and was recovered in full during the year under review.

2.13 Losses and damages

The Accounting Officer reported losses amounting to N\$ 233 700.10 for the financial year under review.

2.13 Suspense accounts

The final ledger shows eleven (11) suspense accounts, six (6) with credit balances and five (5) suspense accounts with debit balances at the end of the financial year as follows:

Suspense account	Balance as at 31 March 2022 Debit/(Credit)
	N\$
Receipt suspense	(149 605.86)
RD Cheques	22 612.00
S&T advance suspense account	173 719.38
Rejection account	139 111.99
Bills payable	(469 532.95)
Electronic fund transfer clearing account (EFT)	(3 455 237.44)
Social Security	(163.62)
Tax code	(5 825.26)
Pension Funds: GIPF	(8 640.58)
Otjozondjupa Regional Town Council Build Together	130.00
Debt establishment	5 888.23

2.14 Capital projects

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

Nature of project	Approved total budget	Total expenditure at 31/03/2021	Approved Appropriation 2021/2022	Actual expenditure 2021/ 2021	Total expenditure at 31/03/ 2022	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Keetmanshop Community Empowerment Centre	86 834 000	10 726 660.89	3 100 000	217 940.03	10 944 600.92	31-March-2023
Renovation of Regional /Constituency Offices	138 773 000	46 308 421.69	2 500 000	2 945 553.82	49 253 975.51	31-March-2024
Homes and Safety Shelters	40 000 000	9 766 371.67	500 000	173 258.38	9 939 630.05	31-March-2024
Namibian Children's Homes	9 500 000	7 332 884.18	800 000	393 965.38	7 726 849.94	31-March-2024
Renovation of After School Centre	61 747 000	5 273 630.32	353 000	-	5 273 630.32	31-March-2023
Nkurenkuru Community Empowerment Centre	67 410 000	536 965.93	4 200 000	-	536 965.93	31-March-2025
Renovation and Upgrading of Farm Kaukurus	12 900 000	308 114.42	1 300 000	412 453.21	720 567.63	01-April-2024
Khomas Community Empowerment Centre	1 000 000		1 000 000	-	-	31-March-2025
Total	542 164 000	80 253 049.10	13 753 000	4 143 171.20	84 396 220.30	

2.15 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue as follows:

Description	Amount
	N\$
Regional Council refund operational budget	(1 366 284.95)
Payroll refunds	(142 510.85)
Board and lodging	25 668.17
DSA (Transactions from 2018)	33 653.00
Social grant refunds	(1 769 540.56)
Cellphone top up	(7 911.13)
Tenders	(63 836.00)
Renting of halls	(87 316.68)
EFT reversals BON	(2 987 432.32)
Courier, fuel refund and others	(17 372.05)
Total	(6 382 883.37)

2.16 Inspections

The Accounting Officer reported the following inspections that were conducted:

Category of inspection	Number of points	Number of points inspected
Financial	46	25
Stock and equipment	1	1
Internal Audit	0	0
Transport	14	14
Total	61	40

2.17 Vehicles

The Accounting Officer reported seventy-one (71) vehicles on hand as at 31 March 2022.

WINDHOEK, 2022-08-30

Ms. MARTHA MBOMBO
ACCOUNTING OFFICER