



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

**MINISTRY OF AGRICULTURE, WATER**

**AND FORESTRY**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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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 Agriculture, Water and Forestry for the financial year ended 31 March 2019 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991(Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

**WINDHOEK, MARCH 2020**

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

**JUNIAS ETUNA KÁNDJEKE**  
**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>Under expenditure:</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.
<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)
<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.



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF AGRICULTURE, WATER AND FORESTRY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**1. SECTION A: FINANCIAL AUDIT**

**1.1 UNQUALIFIED AUDIT OPINION**

I have audited the financial statements of the Ministry of Agriculture, Water and Forestry for the financial year ended 31 March 2019 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, notes to the financial statements and general information for the financial year then ended 31 March 2019, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements of the Ministry of Agriculture, Water and Forestry as at 31 March 2019 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 OPINION**

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

**1.3 KEY AUDIT MATTERS**

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

**1.4 EMPHASIS OF MATTERS**

Attention is drawn for management on the following matters that relate to my responsibility in the audit of the financial statements, as disclosed by the Ministry of Agriculture, Water and Forestry in the financial statements. My opinion is not modified in respect of these matters:

**1.4.1 Miscellaneous revenue**

The Accounting Officer reported a total amount of N\$ 951 453.36 collected as miscellaneous revenue, however the Revenue Ledger reflects a balance of N\$ 1 553 994.03 leaving a variance of N\$ 602 540.67 which was not explained. Furthermore, the electronic cashbook was not submitted to the auditors to verify the correctness of miscellaneous revenue.

It is recommended that the Accounting Officer should ensure that regular reconciliations are performed.

### Management comment

In his response on the draft report, the Accounting Officer explained that miscellaneous revenue includes other receipts from Payroll and Electronic Fund Transfer journals passed which are also classified as miscellaneous.

#### 1.4.2 Underexpenditure

The Ministry received an appropriation of N\$ 1 958 090 000 of which N\$ 1 911 496 392.50 was spent resulting in an under spending of N\$ 46 593 607.50 (2.38%).

Although the Accounting Officer has provided reasons for the underexpenditure, it is of utmost importance to plan properly and accordingly to avoid this kind of practice in the future as these funds could have been utilized for other programs.

#### 1.4.3 Bills payable

It was noted that the Bills payable suspense account reflects a debit balance of N\$ 2 908 475.45 on 31 March 2019. However, it should reflect a credit balance.

It is recommended that the Accounting Officer should explain the debit balance.

### Management comment

In his response on the draft report, the Accounting Officer explained that the Ministry of Finance processed a journal sighting that an amount was wrongly credited to the Bills Payable account resulting in the debit balance.

#### 1.4.4 Livestock

The opening balances as at 1 April 2018 as reported by the Accounting Officer do not agree with the closing balances at 31 March 2018 for the following animals:

<b>Livestock</b>	<b>Closing balance as at 31 March 2018</b>	<b>Opening balance as at 1 April 2018</b>	<b>Variance</b>
Sheep	5 750	4 490	1 260
Goats	5 138	1 385	3 753
Cattle	3 093	4 475	(1 382)
Horses	320	37	283
Donkeys	-	39	39
Chickens	68	346	(278)
Pigs	21	31	(10)
<b>Total:</b>	<b>14 390</b>	<b>10 803</b>	<b>3 665</b>

Furthermore, no supporting documents (Treasury approvals for the sale of animals, stocktaking reports, register of births/deaths, certificates of destruction) were provided to verify the correctness of the statement.

### Management response

In his response the Accounting Officer explained that the variances occurred as a result of stocktaking that was not conducted for the past three (3) years (2016/2017; 2017/2018 and 2018/2019). Therefore progeny, mortality and losses were not added to the main registers which contributed to the variances.

#### **1.4.5 Outstanding subsistence advances**

The Debit balance list at 31 March 2019 indicates four (4) staff members with a total outstanding balance of N\$ 86 544.36; while the subsistence and travel advance suspense account indicates a credit balance of N\$ 386 694.32 at 31 March 2019. The difference of N\$ 300 149.96 was not explained.

It is recommended that the Accounting Officer should ensure that reconciliations are performed on a regular basis.

#### **Management comment**

In his response on the draft report, the Accounting Officer indicated that the difference of N\$ 300 149.96 is a roll over from previous years which the Ministry has to reconcile backwards and find out where these balances are coming from. The Accounting Officer further explained that for the past years no reconciliation for DSA was done. The Ministry only started with the reconciliation of the DSA account from the 2017/2018 financial year.

#### **1.4.6 Internal inspections**

A Stannic fuel card investigation by internal auditors during the year under review, revealed theft and fraud by Ministerial staff. Recommendations were made by internal audit that among others, a staff member be charged with theft and fraud involving a total amount of N\$ 917 009.34. The recommendations were approved for implementation by the Accounting Officer on 23 August 2018. At the time of writing this report, no evidence was found to indicate that the recommendations were implemented.

#### **Management comment**

The Accounting Officer explained that a criminal case was opened against the staff member with the Namibian Police. He further stated that the Ministry did not charge the staff member officially at the time of writing this report, but could not explain why the staff member was not charged.

#### **1.4.7 Debt to Government**

It was again noted with concern that the outstanding balance of external debts to the amount of N\$ 1 708 944.88 remained the same since previous financial years. No evidence of steps taken to recover the outstanding balances was provided for audit purposes.

Furthermore, the opening balances as reported by the Accounting Officer on 1 April 2018 do not agree with the closing balances at 31 March 2018 for the following items:

<b>Description</b>	<b>Closing balance as at 31/03/2018</b>	<b>Opening balance as at 01/04/2018</b>	<b>Variance</b>
	N\$	N\$	N\$
Collateral losses	-	133 862.00	133 862.00
Departmental debt	-	459 643.40	459 643.40
Fraud/Theft	153 954.12	90 758.30	63 195.82
Housing allowance	-	147 783.31	147 783.31
Motor allowance	-	205 936.07	205 936.07
Other debts	296 939.93	164 449.61	132 490.32
Overtime	-	9 435.31	9 435.31
Remissions	-	984 727.44	984 727.44
Remoteness allowance	-	2 334 456.88	2 334 456.88
RD cheques	-	63 195.82	63 195.82
S&T advance	(12 222.23)	(10 448.14)	1 774.09
Salary advances	-	(300.00)	(300)
Salary overpayment	4 170 435.02	347 587.45	3 822 847.57
Service bonus	-	14 990.64	14 990.64
Vehicle damages	1 785 371.56	779 664.56	1 005 707.00
Surcharges	89 851.61	14 609.32	75 242.29
Transport allowance	58 206.81	(3 888.52)	62 095.33
Unpaid leave	1 027 890.70	1 046 097.54	18 206.84
Blanks	13 067.22	863 251.79	850 184.56
Ministerial fines	(300.00)	-	(300.00)
Surcharges	89 851.61	14 609.32	75 242.29

The Accounting Officer should ensure that outstanding debts are collected and that correct information is submitted for audit purposes in future.

#### **Management comment**

The Accounting Officer explained that the observed variances between opening and closing balances were due to the adjustments done after the reporting of the 2017/2018 financial year and a further breakdown of the descriptions of debt has been employed.

Furthermore, the Accounting Officer explained that the external debt of N\$ 1 708 944.88 is a result of long outstanding debt and the Ministry is writing to Treasury to request advice on how to handle them as most of the debts are for staff members who are retired and the amounts owed by them are more than their leave gratuity payments made.

## 1.5 OTHER MATTERS

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

### 1.5.1 Losses and damages through irregularities

No supporting documents (reports) were submitted for audit purposes for slaughtered bulls, loss of car keys, stolen solar panels, camping equipment and theft of cattle as reported by the Accounting Officer. Copies of receipts as supporting evidence of the amounts recovered were also not submitted to the auditors and as a result, the statement could not be verified for correctness.

The Accounting Officer should submit the documents as required by the Auditor-General's Circular D12/2018 for audit purposes.

### 1.5.2 Stores and depots

The annual statement submitted by the Accounting Officer does not agree with the supporting documents that were provided for audit purposes as per the table below:

Stores/Depot	Stock on hand reported by Accounting Officer	Stock on hand as per the audit	Variance
	N\$	N\$	N\$
Erongo	336 833.52	485 703.81	(148 870.29)
Otjozondjupa central	363 033.50	3 636 034.00	(3 273 000.50)
<b>Total</b>	<b>699 867.02</b>	<b>4 121 737.81</b>	<b>(3 421 870.79)</b>

The Accounting Officer should ensure that correct statements are submitted and provide supporting documents for audit purposes.

### 1.5.3 Equipment lease account

The Accounting Officer did not provide all the payment vouchers to verify the payments made from this account. As a result, the correctness of the statement could not be verified.

The Accounting Officer should provide all payment vouchers and supporting documents for transfers made from the equipment lease account.

### Management comment

The Accounting Officer explained that payments made from the Equipment lease account are processed by the Ministry of Finance; therefore vouchers are submitted together with the request for payment. The Ministry will ensure that in future copies of payment vouchers are returned and filed for audit purposes.

## **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. I do not have any other information to report on.

## **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 Agriculture, Water and Forestry for the financial year ended 31 March 2019.

### **2.2 Description of the subject matter information and audit scope**

The audit aimed to determine whether the Ministry of Agriculture, Water and Forestry used the appropriated funds in compliance with the Appropriation Act, 2018 (Act 4 of 2018), Appropriation Amendment Act, 2018 (Act 15 of 2018), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2019.

### **2.3 Audit objective**

The objective of this compliance audit is to verify and assess whether the Ministry of Agriculture, water and Forestry 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, 2018 (Act 4 of 2018);
- Appropriation Amendment Act, 2018 (Act 15 of 2018)
- State Finance Act, 1991 (Act 31 of 1991);
- Public Procurement Act, 2015 (Act 15 of 2015);
- Treasury Instructions; and
- Public Procurement Regulations.



## **2.5 Summary of methods applied**

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

## **2.6 KEY AUDIT FINDINGS**

### **2.6.1 Unauthorized expenditure**

The Accounting Officer rendered a nil statement for unauthorized expenditure, however the under mentioned unauthorised expenditure occurred during the financial year under review and is reported as such in terms of Section 6 (a) of the State Finance Act, Act 31 of 1991:

- (i) Although Treasury approval was obtained to utilise certain expected savings for defrayal of expenditure by way of virements during the year, ten (10) operational subdivisions were exceeded by a total amount of N\$ 619 211.15 which is unauthorized in terms of Section 6(a)(iii) of the Act.

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 prevent unauthorised expenditure.

### **2.6.2 Annual stocktaking**

In terms of Treasury Instruction KA 0901 the Ministry is required to conduct annual stocktaking at all its stock points. The Accounting Officer reported that no stocktaking was conducted for the 2018/2019 financial year due to insufficient funds. A request for exemption from stocktaking was made to Treasury; however it was rejected by Treasury due to late submission, but no documents to that effect was submitted for audit purposes. The Accounting Officer further stated that this activity has been prioritized in the financial year 2019/2020 as it will be carried out during the first and second quarters.

The Accounting Officer should ensure that in future annual stocktaking is conducted as prescribed by Treasury Instruction KA 0901.

## **2.7 UNQUALIFIED AUDIT OPINION ON THE SUBJECT MATTER**

In my opinion, the Ministry of Agriculture, Water and Forestry'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), Treasury Instructions, Appropriation Act, 2018 (Act 4 of 2018), Appropriation Amendment Act, 2018 (Act 15 of 2018) and Public Procurement Regulations.

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

I have audited the performance information of the Ministry of Agriculture, Water and Forestry for the financial year ended 31 March 2019.

#### **3.1 Description of the subject matter information and audit scope**

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

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

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Agriculture, Water and Forestry 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.

#### **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 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 NDP 5, Harambee Prosperity Plan, MTEF and Strategic Plan of the Ministry to confirm whether the Strategic objectives in the Strategic Plan are aligned to the National Development Plans (NDP 5 & Harambee Prosperity Plan) and the MTEF. The auditor also reviewed the annual plan and the directorate quarterly reviews 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 Annual Performance Report/ Annual plan review/ Directorate quarterly reports. Furthermore, the auditor conducted interviews and used reviewed documents to obtain information that pertains to the selected key performance indicators.

### 3.6 Selected Key Performance Indicators

The following three (3) key performance indicators were selected from the 2018/2019 Annual plan:

Strategic objective	Key Performance Indicators
Enhance improved public service delivery	Percentage of Directorate of Rural Water Supply, Sanitation Coordination and Directorate of Forestry functions decentralized
Ensure access to adequate and improved sanitation facilities	Number of sanitation infrastructure constructed
Ensuring food security in Namibia	Number of farmers capacitated in Swakara sheep management

### 3.7 Key audit findings

	Indicator/Finding	Recommendation
1.	<b>Percentage of DWSSC and DOF functions decentralized</b>	
	<p>The targeted performance was 150% and the reported actual performance achievement is 120% as per the annual plan.</p> <p>The target was not met but reasons for variances between planned and actual performance have been disclosed.</p> <p>The KPI unit of measurement used is percentage, however, both the target and the actual recorded is above 100%. This renders it difficult to interpret and relate the results to the KPI. The Accounting Officer indicated that milestones were used to evaluate progress, yet these milestones were not availed to this Office.</p>	The Accounting Officer should ensure that in future the unit of measurement is realistic and provide the milestones that were used.
2.	<b>Number of sanitation infrastructure constructed</b>	
	The targeted performance was six hundred and ten (610) and	

	<p>the reported actual performance achievement is two hundred and thirty four (234) as per the annual plan review. The target was not achieved because the contractors could not start on time due to financial constraints.</p> <p>The Accounting Officer reported that the Director of Water Supply and Sanitation Coordination during the financial year under review only managed to complete two hundred and thirty four (234) sanitation facilities due to the budget cuts.</p>	
<b>3.</b>	<b>Number of farmers capacitated in SWAKARA sheep management</b>	
	<p>The targeted performance was seventy (70) and the reported actual performance achievement is forty eight (48) as per the annual plan review.</p> <p>The Accounting Officer explained that forty eight (48) farmers were capacitated in Swakara are leaving a deficiency of twenty two (22) due to the severe drought. The animals were moved from Gellap-Ost to the Kalahari research station for grazing where there were no accommodation and training facilities. However, the training is sub divided into three levels, e.g. beginners, standard and advance. As a result, less people could attend the training and only the advance training was completed.</p>	

### **3.8 Conclusion on the subject matter**

Presentation, consistency, accuracy, validity and completeness of performance information is met which concludes that reported information is reliable and useful to the public and stakeholders. The audit revealed that the criteria of measurability were not satisfactory. The measurement used was 150% instead of 100% and the Accounting Officer could not explain how this target was determined. It was also not possible to evaluate the percentage achieved.

#### **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 & 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, 2018 (Act 4 of 2018) Appropriation Amendment Act, 2018 (Act 15 of 2018), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulation and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

#### **5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

My objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue 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 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 report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2018 (Act 4 of 2018) Appropriation Amendment Act, 2018 (State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

## **6. GENERAL INFORMATION**

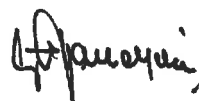
The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A.

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

## **7. ACKNOWLEDGEMENT**

The co-operation and assistance by the management and staff of the Ministry of Agriculture, Water and Forestry during the audit is highly appreciated.

**WINDHOEK, MARCH 2020**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## ANNEXURE A

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2018/2019						2017/2018
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent-age	
	N\$	N\$	N\$	N\$	%	N\$
<b>01. Office of the Minister:</b>						
Original budget	4 005 000					
Plus: Virement	1 039 197	5 044 197	4 877 358.50	166 838.50	3.31	4 188 971.74
<b>02. Administration:</b>						
Original budget	202 735 000					
Additional budget	40 000 000					
Plus: Virement	4 063 331	248 778 331	245 010 197.87	3 768 133.13	1.51	742 883 069.66
<b>03. Veterinary Services:</b>						
Original budget	300 850 000					
Plus: Virement	27 732 644					
Less: Suspension	( 6 900 000)	321 682 644	312 018 383.49	9 664 260.51	3.00	278 602 622.78
<b>04. Agriculture Water and Forestry Research:</b>						
Original budget	95 537 000					
Less: Virement	(10 186 568)					
Less: Suspension	(6 000 000)	79 350 432	78 364 355.30	986 076.70	1.24	77 207 040.37
<b>05. Agriculture Development and Extension:</b>						
Original budget	202 283 000					
Plus: Virement	20 848 633					
Less: Suspension	(16 100 000)	207 031 633	198 897 861.48	8 133 771.52	3.93	179 446 477.29
<b>06. Agriculture Engineering:</b>						
Original budget	104 850 000					
Less: Virement	(5 825 862)	99 024 138	98 606 302.54	417 835.46	0.42	138 777 650.83



Appropriation account (continued)

ANNEXURE A (continued)

2018/2019						2016/2017
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent-age		
N\$	N\$	N\$	N\$	%	N\$	
<b>07. Planning, Pricing Marketing and Co-operation:</b>						
Original budget	59 025 000					
Less: Virement	(7 346 844)					
Less: Suspension	(5 100 000)	46 578 156	4 5 742 982.83	835 173.17	1.79	43 520 775.64
<b>08. Agricultural Training:</b>						
Original budget	25 835 000					
Plus: Virement	671 976	26 506 976	25 948 191.83	558 784.17	2.11	24 898 816.86
<b>09. Emergency Relief:</b>						
Original budget	989 000					
Less: Virement	(989 000)	-	-	-	-	-
<b>10. Resource Management:</b>						
Original budget	57 710 000					
Less: Virement	(10 865 913)					
Less: Suspension	(4 000 000)	42 844 087	39 731 027.23	3 113 059.77	7.277	39 359 684.16
<b>11. Rural Water Supply:</b>						
Original budget	933 984 000					
Additional budget	25 000 000					
Plus: Virement	8 268 145					
Less: Suspension	(203 685 000)	763 567 145	747 887 491.38	15 679 653.62	2.05	766 626 662.21
<b>12. Forestry:</b>						
Original budget	149 272 000					
Less: Virement	(29 389 739)					
Less: Suspension	(2 200 000)	117 682 261	114 412 240.05	3 270 020.95	2.78	126 960.100.59
<b>Total:</b>	<b>1 958 090 000</b>	<b>1 911 496 392.50</b>	<b>46 593 607.50</b>	<b>2.38</b>	<b>2 422 471 872.13</b>	

## ANNEXURE A (continued)

## 1.2 Standard subdivisions

Subdivision	2018/2019			2017/2018
	Authorized expenditure N\$	Actual expenditure N\$	Under expenditure (Excess) N\$	Actual expenditure N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	695 798 416	663 222 123.79	32 576 292.21	691 716 176.10
002. Employer's contribution to the GIPF	84 622 000	77 936 284.10	6 685 715.90	80 031 534.28
003. Other conditions of service	25 483 839	24 126 727.45	1 357 111.55	17 480 138.35
005. Employers contribution to the Social Security Commission	3 114 000	2 707 618.26	406 381.74	2 325 393.71
<b>Total</b>	<b>809 018 255</b>	<b>767 992 753.40</b>	<b>41 025 501.40</b>	<b>791 553 242.44</b>
<b>Current Expenditure: Goods and other services</b>				
021. Travel and subsistence	19 132 949	18 922 016.36	210 932.64	18 993 565.63
022. Material and supplies	8 947 577	8 752 006.98	195 570.02	7 178 250.89
023. Transport	38 000 000	37 285 204.65	714 795.35	37 103 071.64
024. Utilities	64 247 872	63 946 248.42	301 623.58	83 921 182.91
025. Maintenance expenses	1 536 188	1 454 858.20	81 329.80	1 028 571.39
026. Property rental and related charges	-	-	-	-
027. Other services and expenses	4 619 568	4 524 477.67	95 090.33	251 785 650.34
028. Training course	147 137	147 136.30	0.70	-
033. Office refreshment	4 250	4 250.00	-	-
040. Security contract	35 876 439	35 876 439.00	-	-
<b>Total</b>	<b>172 511 980</b>	<b>170 912 637.58</b>	<b>1 599 342.42</b>	<b>400 010 292.80</b>
<b>Current Expenditure: Membership and subscriptions, subsidies and other current transfers</b>				
041. International	4 493 052	4 491 882.26	1 169.74	3 750 175.02
042. Domestic	1 336 459	1 336 346.64	112.36	806 581.32
043. Government organizations	-	-	-	39 913 117.90
044. Individuals and non-profit entities	-	-	-	315 597 358.41
045. Public and departmental enterprise and private Industries	-	-	-	3 822 689.56
046. Subsidies to sub national bodies	8 984 467	8 984 446.27	20.73	-
047. Subsidies to other extra budgetary bodies	4 951 327	4 951 326.74	0.26	-
049. Support for non-profit organization industries	14 332 774	14 262 335.19	70 438.81	-
053. Subsidies for state owned enterprises	32 937 128	32 927 786.79	9 341.21	-
<b>Total</b>	<b>67 35 207</b>	<b>66 954 123.89</b>	<b>81 083.11</b>	<b>363 889 922.21</b>
<b>Total: Current expenditure</b>	<b>1 048 565 442</b>	<b>1 005 859 515.07</b>	<b>42 705 926.93</b>	<b>1 555 453 457.45</b>
<b>Development:</b>				
<b>Capital expenditure: Goods and other services</b>				
022. Materials and supplies				
027. Other services and expense	24 785 589	24 731 367.86	54 221.14	8 917 923.43
	44 679 679	44 643 040.00	36 639.00	24 583 340.48
<b>Total</b>	<b>69 465 268</b>	<b>69 374 407.86</b>	<b>90 860.14</b>	<b>33 501 263.91</b>

# ANNEXURE A (continued)

## Standard subdivisions (continued)

Subdivision	2018/2019			2017/2018
	Authorized expenditure	Actual expenditure	Under expenditure / (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Capital expenditure: Acquisition of assets</b>				
102. Vehicles	-	-	-	4 162 011.13
103. Operational equipment, machinery and plant	5 558 000	5 558 000.00	-	22 341 811.15
106. Purchase of land and intangible assets		-	-	163 530.00
107. Construction, renovation and improvement	671 506 103	667 709 342.09	3 796 760.91	806 849 798.49
121. Government organizations	162 995 187	162 995 127.48	59.52	-
<b>Total</b>	<b>840 059 290</b>	<b>836 262 469.57</b>	<b>3 796 820.43</b>	<b>833 517 150.77</b>
<b>Total: Development expenditure</b>	<b>909 524 558</b>	<b>905 636 877.43</b>	<b>3 887 680.57</b>	<b>867 018 414.68</b>
<b>Grand total:</b>	<b>1 958 090 000</b>	<b>1 911 496 392.50</b>	<b>46 593 607.50</b>	<b>2 422 471 872.13</b>

## ANNEXURE A (continued)

## 1.3. Departmental revenue

Revenue for the financial year is as follows:

Revenue head	2018/ 2019			2017/ 2018
	Estimate	Actual revenue	More/(Less) than estimated	Actual revenue
	N\$	N\$	N\$	N\$
Private telephone calls	1 000	0.24	(999.76)	257.18
Unclaimed cheques	-	22 249.00	22 249.00	3 136 416.08
Miscellaneous	550 000	1 553 994.03	1 003 994.03	7 073 129.32
Lost equipment and stores	60 000	1 808.31	(58 191.69)	18 454.67
Ministerial fines	3 000	724.80	(2 275.20)	-
Lease/letting State land and buildings	250 000	375 181.92	125 181.92	194 615.65
Sale of stock and farm produce	7 050 000	6 144 456.07	(905 543.93)	2 050 150.89
Veterinary and clinical services	1 600 000	1 115 413.51	(484 586.49)	764 696.69
Services rendered to Ministries	1 000	-	(1 000.00)	-
Performance testing fees	1 000	3 655.00	2 655.00	-
Sale of furs and wool	600 000	63 395.92	(536 604.08)	56 520.58
Grazing fees	4 000	3 689.40	(310.60)	4 950.00
Meat hygienic services	2 800 000	1 555 961.93	(1 244 038.07)	1 480 039.32
Registration fees on remedies, feeds	800 000	1 601 897.15	801 897.15	1 697 346.89
Hides and skins	14 000	2 984.90	(11 015.10)	12 408.40
College fees	-	1 655.00	1 655.00	-
Ploughing services	1 800 000	2 668 302.97	868 302.97	2 188 439.11
Planting services	2 000	59 290.50	57 290.50	100 385.00
Seeds and fertilizers	1 000 000	616 571.85	(383 428.15)	1 327 793.03
Auction fees	3 000 000	509 336.75	(2 490 663.25)	2 989 278.94
Sale of water and electricity: Employees	220 000	227 705.92	7 705.92	249 502.76
Sale of water: Hardap	-	36 428.60	36 428.60	-
Laboratory testing fees	2 000 000	2 722 460.58	722 460.58	1 749 982.50
Meter linkage and rental fees	4 000 000	565 400.05	(3 434 599.95)	157 416.05
Permit fees	5 000 000	8 605 680.74	3 605 680.74	8 607 007.95
Commission fees	-	1 100 072.69	1 100 072.69	2 049 196.20
Game and game produce	10 000	18 328.90	8 328.90	21 030.10
Sale of forestry products	500 000	-	(500 000.00)	-
Ministerial fines	-	4 000.00	4 000.00	-
<b>Total</b>	<b>31 266 000</b>	<b>29 580 646.73</b>	<b>(1 685 353.27)</b>	<b>35 929 017.31</b>

## ANNEXURE A (continued)

### 1.4 Trade account : Equipment lease account

#### (i) Balance sheet as at 31 March 2019

Capital employed	2017/2018	2018/2019
	N\$	N\$
Retained earnings brought forward	-	-
Net Surplus/(Deficit)	-	153 947.18
<b>Employment of capital</b>		
Fixed assets at net book value	-	-
Purchases	-	-
<b>Total</b>	-	153 947.18

#### (ii) Replacement Reserve Fund for the year ended 31 March 2019

	2017/2018	2018/2019
	N\$	N\$
Ministry of Finance Ledger Account at 1 April 2018	-	153 947.18
Net surplus for the year	-	-
Actual Balance at the end of the year 31 March 2019	-	-
Remarks: Balance to be kept in the account for the following reasons:		
(i) The purchase for new vehicles committed in fiscal year	-	-
(ii) License renewals of vehicles	-	-
(iii) Implementation and fitting of E-fuel on vehicle fleet	-	-
(iv) Maintenance and repairs on the vehicles fleet	-	-
<b>Total</b>	-	153 947.18

#### (iii) Capital income for the year ended 31 March 2019

	2017/2018	2018/2019
	N\$	N\$
<b>Gross income</b>	-	-
Rental charges	-	-
Auctions	-	2 821 120.39
Transfer for purchase of new vehicles	-	-
<b>Less: Expenditure</b>	-	-
Purchases	-	-
<b>Net profit for the financial year 2018/2019</b>	-	2 821 120.39

**(iii) Equipment lease account**

	2017/2018	2018/2019
	N\$	N\$
<b>Income</b>	-	-
Rental charges : Capital	-	-
Income from auctions	-	2 821 120.39
Fund for new Vehicles	-	-
Income from auctions 2018/2019	-	-
Vehicle rental income - Maintenance	-	-
Other maintenance income	-	-
Transfer of Government garage hiring	-	-
<b>Net surplus(deficit) for the financial year 2018/2019</b>		<b>2 821 12.39</b>

**(v) Maintenance income for the year ended 31 March 2019**

	2017/2018	2018/2019
	N\$	N\$
<b>Gross income</b>	-	<b>3 024 198.05</b>
Rental charges	-	-
Auctions	-	2 821 120.39
Journal Reverse	-	203 077.66
<b>Less: Expenditure</b>		<b>2 870 250.87</b>
Purchases	-	-
Repair and maintenance	-	1 069 051.25
Road Authority	-	111 912.00
Stannic Account	-	1 214 000.00
Journal Reversal	-	475 287.62
<b>Net profit for the financial year 2018/2019</b>	-	<b>153 947.18</b>

**EQUIPMENT LEASE ACCOUNT**

	2017/2018	2018/2019
<b>Expenditure</b>		
Purchases	-	-
Repair and maintenance	-	1 069 051.25
Road Authority	-	111 912.00
Stannic Account transfers	-	1 214 000.00
Journal Reversal	-	475 287.62
<b>Net Surplus (deficit) for 2018/219</b>	-	<b>2 870 250.87</b>

**1.5. Notes to the financial statements****1.5.1 Appropriation account: Explanations of variations exceeding 2% between authorized and actual expenditure****Underexpenditure****Main division 01: Office of the Minister (N\$ 166 838.50 – 3.31%)**

The under spending on this main division was due to the fact that the Personal Assistant to the Minister was employed by the Ministry of Youth and Sport and seconded to the Ministry of Agriculture, Water and Forestry. The salary was paid through the Ministry of Youth and Sport, which resulted in the under spending.

**Main division 03: Directorate of Veterinary Services (N\$ 9 664 260.51- 3%)**

The contributing factor for the under spending on this main division was on remuneration due to resignations, retirements, deaths and contracts for expatriates that expired.

The other contributing factor was due to positions that were vacant and were not filled during the 2018/2019 financial year, thus resulting in under spending on this main division.

The last contributing factor was the component of the Angola/Namibia livestock fence that was put on hold during the financial year.

**Main division 05: Agricultural Development and Extension (N\$ 8 133 771.52 – 3.93%)**

The under spending on this main division was due to the late process of appointing the four (4) Chief Agriculture Scientific Officers, retirement and resignation of staff members, that resulted in under spending. The other contributing factor was the delay in submitting the outstanding documents from resigned and retired staff members.

**Main division 08: Agricultural Training (N\$ 558 784.17 – 2.11%)**

The under spending on this main division was due to vacant positions not filled during the 2018/2019 financial year and unexpected resignation of staff members. The other contributing factor caused by the vacancies that were budgeted for but not filled due to the limited number allowed in advertisement and clearance of posts by the Secretary to Cabinet which was delayed. The order of materials and supplies were not delivered and the orders had to be cancelled. The supplier refused to provide quotations for the repair and services of the vehicles especially in Rundu, which contributed to the underexpenditure.

#### **Main division 10: Resource Management (N\$ 3 113 059.77 -7.27%)**

The contributing factor for the under spending on this main division was due to the lengthy processes to be followed under the new Procurement Act. This was accompanied by the fact that most of the funds were released after September 2018 making it difficult to fast track the implementation of consultancy services required and committing of funds, thus resulting in under spending.

Another contributing factor was the fact that some positions which became vacant in the Directorate as a result of resignations, transfers and retirement of some staff members were never filled and it remained vacant in some of the divisions. This is because as positions become vacant, it is difficult to fill them immediately because the advertisement of the said positions has to be approved first and motivation has to be done whether the vacancies are essential or not.

The last contributing factor was due to two (2) consultancies for the development of the Upper Swakop Basin Plans and the development of Water Pricing/tariff Policy for the Water Regulator of Namibia were returned back and forth by Procurement Management Unit (PMU) and re-advertised and delayed by PMU processes resulting in funds not spent.

#### **Main division 11: Rural Water Supply (N\$ 15 679 653.62 – 2.05%)**

The under spending on this main division was caused by vacancies budgeted for but not filled due to the limited number allowed in advertisement and clearance of posts by the Secretary to Cabinet which was delayed.

The order of materials and supplies were not delivered and the orders had to be cancelled. Construction of dams, traditional wells and pans, the identification of construction sites was submitted late to Head Office, but could not be constructed on time prior to the ending of the financial year. The invoice of Neckartal dam was higher than the available balance, hence the under spending under Construction of large dams/Neckartal dam.

#### **Main division 12: Directorate of Forestry (N\$ 3 270 020.95 – 2.78%)**

The contributing factor of under spending on this main division was due to resignation of staff members and the budgeted vacant positions that was not filled during the financial year under review.

The other contributing factor of under spending was the fact that tree planting activities were suspended during the 2018/2019 financial year.

### **1.5.2 Departmental revenue: Explanations for variances exceeding 200 000**

#### **(i) Over-estimation**

##### **Sale of stock and farm produce - N\$ 905 543.93**

The variation in the sale of stock and farm produce is due to the reduction of livestock and stock sales due to the effect of the recurrent drought.



**Veterinary and clinical services - N\$ 484 586.49**

The decrease in revenue can be attributed to the fact that fewer farmers visited the clinics, due to the unavailability of veterinary medicine at the State veterinary offices.

**Sale of furs and wool - N\$ 536 604.08**

The reduction in the revenue from the sale of furs and wool is partly due to the drought and the drop in the international prices of the Swakara pelts.

**Meat hygienic services - N\$ 1 244 038.07**

The decrease in revenue collected under this revenue code can mainly be attributed to the closing of many export abattoirs.

**Seeds and fertilizers – N\$ 383 428.15**

The decrease in revenue can be attributed to the drought and only few farmers are able to purchase seeds and fertilizers.

**Auction fees - N\$ 2 490 663.25**

Due to the drought and economic crisis, fewer farmers turned up at the auction which resulted in less revenue collected than anticipated.

**Meter linkage and rental fees - N\$ 3 434 599.95**

It is difficult to project the number of community members who will apply for private connections, hence the use of previous records, but there are changes in demand every year, thus the budget amount was overestimated compared to the actual income.

**Sale of forestry products - N\$ 500 000**

The decrease in this revenue code can be attributed to the fact that no forestry products were sold during the financial year under review. The estimate was based on the collection for the previous financial year.

**(ii) Under-estimation****Miscellaneous revenue - N\$ 1 003 994.03**

The increase in the collection of miscellaneous revenue can mainly be attributed to the fact that any payment without allocation codes was put under miscellaneous revenue.

**Registration fees on remedies/feeds/fertilizer - N\$ 801 897.15**

The variance is due to the fact that more farmers registered for remedies, feeds and fertilizer.

**Ploughing services – N\$ 868 302.97**

The number of farmers who were provided with ploughing services was higher than anticipated and thus increased the revenue in this account code.

**Laboratory testing fees - N\$ 722 460.58**

The increase in this revenue code can be attributed to the fact that the Ministry purchased enough reagents and other laboratory consumable materials that are needed for testing. Customers are using the service very well.

**Permit fees - N\$ 3 605 680.74**

Due to the high demand of importing permits to import various agricultural products by several service providers, the Ministry managed to collect more revenue than what was budgeted for.

**Commission fees – N\$ 1 100 072.69**

There was no estimate for revenue to be collected under this code, but the Ministry collected more revenue.

## 2. GENERAL INFORMATION

### 2.1 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue as follows:

Nature of revenue	Amount
	N\$
Stock cards	13 489.00
DNA Samples export	50.00
Accommodation	22 140.00
Access cards	450.00
Tender fees	143 489.80
Kilometre claims	59 006.58
Miscellaneous	170 739.46
Purchase of books	1 471.30
Inspection fees	27 516.74
Transport fees	387 440.60
Scrap metal	276.00
Loading fees	150.00
Overtime fees	42 139.49
Lost certificates	190.00
Lost books	60.00
Deficit	114.00
Fresh tomatoes, green pepper and grapes	150.00
Hostel fees	450.00
Droppers	150.00
Cancelled	10.00
Revenue	12 345.50
Overpayment	31 579.31
Tag	84.00
Photocopy	142.90
Loading fee	75.00
Sale of books	3 452.28
Transport permit	334.05
Sale of forestry products	1 200.00
Milling of mahangu	78.00
Consultations	322.05
Fines	300.00
Permit fees	10.00
Hire of hanger	20 428.00
Goats into Angola	1 885.30
Top up cellphone	9 734.00
<b>Total</b>	<b>951 453.36</b>

## ANNEXURE A (continued)

### 2.2 Bank accounts

The Accounting Officer reported that during the financial year under review, the Ministry operated the following bank accounts for various programmes with commercial banks:

Name and description of account	Financial institution	Balance as at 31/03/2019
		N\$
Embassy of Namibia Agriculture Account	ING – Brussels Sweden	*€ 21 993.24
Sikondo Irrigation farm	Bank Windhoek	49 277.78
Sikondo Green scheme irrigation project-notice deposit	Bank Windhoek	8 977.56
Sikondo Green scheme irrigation project-notice deposit	Bank Windhoek	168 184.82
Agriculture Mechanization and Seed Improvement Project (NAMSIP)	Bank of Namibia	10 660 089.89
Sustainable Management of Namibia's Forested Lands (NAFOLA)	First National Bank	281 008.03
Water Supply Security	Standard Bank	85 399 144.49
Water Supply Security	Standard Bank	16 149 537.51
Namibia Water Supply and Sanitation Sector Programme	Bank Windhoek	936 361.52
Namibia Water Supply and Sanitation Sector Programme	Bank Windhoek	28 020 454.48

\*Euro

### 2.3 Debt to Government

The Accounting Officer reported the following debt to Government:

Description	Opening balance as at 01/04/2018	New cases	Recovered during the year	Adjustment during the year	Outstanding balance as at 31 March 2019
	N\$	N\$	N\$	N\$	N\$
Collateral losses	133 862.00	-	-	-	133 862.00
Departmental debt	459 643.40	-	-	-	459 643.40
Fraud/Theft	90 758.30	-	-	-	90 758.30
Housing allowance	147 783.31	219 656.23	138 356.79	534.58	228 548.17
Leave gratuity	-	1 420.69	1 420.69	-	-
Maternity leave	28 890.59	-	-	-	28 890.59
Motor allowance	205 936.07	147 817.98	70 736.80	-	283 017.25
Non- pensionable	-	16 887.84	2 814.64	-	14 073.20
Other debts	164 449.61	-	-	-	164 449.61
Overtime	9 435.31	5 301.17	12 803.11	-	1 933.37
Remissions	984 727.44	15 449.63	53 354.92	-	946 822.15
Remoteness allowance	2 334 456.88	263 434.27	802 477.20	688.34	1 794 725.61
RD cheques	63 195.82	-	-	-	63 195.82
S&T advance	10 448.14	24 329.51	67 045.06	3 316.00	56 479.69
Salary advances	300.00	1 350.00	1 350.00	300.00	-
Salary overpayment	347 587.45	240 562.48	306 557.39	9 364.97	272 227.57
Service bonus	14 990.64	50 618.87	57 444.68	1 138.16	9 302.99
Study debt	12 554.29	-	-	-	12 554.29
Surcharges	14 609.32	-	-	-	14 609.32
Transport allowance	3 888.52	7 040.00	7 621.20	46.00	4 515.72
Unpaid leave	1 046 097.54	367 029.17	322 753.03	13 988.42	1 076 385.26
Veterinary services	44 153.00	-	-	-	44 153.00
Blanks	863 251.79	-	-	-	863 251.79
<b>Total</b>	<b>7 743 965.12</b>	<b>1 360 897.84</b>	<b>1 844 735.51</b>	<b>26 500.15</b>	<b>7 233 627.30</b>

## ANNEXURE A (continued)

### 2.4 Capital projects (Funded by the Namibian Government)

#### (i) Internally funded

The following were the development projects of the Ministry for the financial year under review:

Nature of project	Approved total cost	Approved appropriation 2018/2019	Total expenditure as at 31 March 2018	Actual expenditure 2018/2019	Total expenditure as at 31 March 2019	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of MAWF Regional Offices	480 000 000	30 862 595	307 471 525.93	30 862 593.57	338 334 119.50	31/03/2025
Renovation and Upgrading of MAWF buildings	217 651 000	10 680 000	126 738 899.28	10 680 000.00	137 418 899.28	31/03/2030
Expansion of Intranet and the implementation of E-Governance for MAWF	25 995 000	705 000	-	682 258.14	682 258.14	13/02/2023
Construction of Veterinary Clinics, Offices and Accommodation	286 000 000	21 726 000	317 743 294.33	21 726 000.00	270 949 862.37	31/03/2030
Improvement of Animal Health Marketing Services in North Central Areas	302 919 000	24 973 340	134 059 091.86	24 969 549.28	159 028 641.14	28/02/2020
Development of Animal and Plant Health Inspection Centres	301 585 000	7 800 000	175 524 869.92	7 799 999.63	183 324 869.55	31/03/2030
Beef Value Chain Development in the NCA	226 000 000	18 558 000	129 378 939.16	18 418 180.93	147 797 120.09	31/03/2025
Development of Livestock Breeding & Marketing Infrastructure in Communal areas	116 000 000	1 792 197	73 899 569.08	1 792 196.88	75 691 765.96	31/03/2025
Upgrading of Maintenance Farm Infrastructure & Improvement of Irrigation	342 141 000	1 994 000	146 785 094.09	1 969 447.19	148 754 541.28	31/03/2025
Seed Production at Research Centre	156 011 000	1 933 578	14 391 240.95	1 933 577.67	16 324 818.62	31/03/2022
Construction of Agricultural Development Centres	98 420 000	2 000 000	17 892 412.49	1 701 343.48	19 892 412.49	31/03/2025
Comprehensive Conservation Agriculture Programme for Namibia	212 745 000	33 388 206	3 718 969.69	33 388 206.00	37 107 175.69	31/03/2023
Green Scheme	3 500 000 000	60 178 630	1 696 175 264.76	60 178 628.65	1 756 353 893.41	31/03/2030
Integrated Grain Storage Facilities	120 000 000	3 000 000	129 131 580.55	3 000 000.00	132 131 580.55	31/03/2021
National horticulture development initiative (Mahangu Marketing support project)	2 554 174 000	16 000 000	522 673 852.82	16 000 000.00	583 673 852.82	31/03/2025
Water Resource Management	136 981 000	2 977 796	4 268 861.89	2 972 207.08	7 241 068.97	21/02/2021
Extension and Renovation of National Botanical Research Institute	126 465 000	12 002 000	-	12 001 343.84	12 001 343.84	31/03/2023
Rural Water Supply Coverage	1 107 589 000	30 273 000	1 066 495 188.26	29 847 859.58	1 096 343 047.84	31/03/2030
Construction of Large Dams, Desalination and Provision of Water to Larger Settlements	3 196 642 000	403 628 000	3 710 719 155.85	400 430 714.46	4 111 149 870.31	31/03/2020
Kalimbeza Rice Project	60 000 000	1 200 000	22 894 724.25	1 200 000.00	24 094 724.25	31/03/2030
Integrated Forest Resource Management	1 088 290 000	7 237 644	425 404 769.27	7 181 933.01	432 586 702.28	31/03/2020

Nature of project	Approved total cost N\$	Approved appropriation 2018/2019 N\$	Total expenditure as at 31 March 2018 N\$	Actual expenditure 2018/2019 N\$	Total expenditure as at 31/03/2019 N\$	Expected year of completion N\$
Establishment of Agro Processing Facilities	100 000 000	5 930 125	1 195 394.53	5 930 125.00	7 125 519.53	31/03/2030
Geohydrological Investigations in the Cuvelai -- Etosha Basin	57 748 000	416 276	2 104 000.00	416 276.00	2 520 276.00	31/03/2025
Construction of Water Security Infrastructure	3 084 700 000	800 000	-	800 000.00	800 000.00	31/03/2021
Construction of Dams, Traditional Pans for Livestock Drinking	166 675 000	2 000 000	83 981 320.83	1 999 234.02	85 980 554.85	31/03/2030
Extension of the Central Veterinary Laboratory	464 472 000	11 002 000	153 127 521.66	10 997 071.75	164 124 593.41	31/03/2025
Development of Agriculture Technology Centers	132 000 000	1 000 000	57 665 721.49	1 000 000.00	58 665 721.49	31/03/2020
Bulk Water Supply	2 491 000 000	162 995 187	-	162 995 127.48	162 995 127.48	31/03/2027
Qualification of Groundwater Resources of Namibia	3 051 800 000	456 620	4 795 519.05	456 620.00	5 252 139.05	31/03/2021
Upgrading of Veterinary Fences	57 748 000	30 179 000	-	30 172 363.51	30 172 363.51	31/03/2028
Debushing in Commercial and Communal areas	3 084 700 000	1 835 364	27 757 880.95	1 835 364.76	29 593 245.71	31/03/2030
<b>TOTAL</b>	<b>21 516 628 000</b>	<b>909 524 558</b>	<b>9 233 119 748.27</b>	<b>905 636 977.43</b>	<b>10 138 457 969.18</b>	

## ANNEXURE A (continued)

### (ii) Externally donor funded projects

The Accounting Officer reported the following donor funded capital project for the year under review:

Nature of project	Approved total funded	Amount funded 2018/2019	Expected year of completion	Donor
Geohydrological investigation of the Cuvelai Basin	N\$ 35 728 000	N\$ 7 989 000	31/10/2019	Germany - BGR

### 2.5 Internal inspections

The Accounting Officer reported that the following internal inspections were conducted during the financial year under review:

Category	Number of inspection points	Number of points inspected	Classification of reports according to Accounting Officer's opinion	
			Satisfactory	Fair
Stock and equipment	-	-	-	-
Others	382	76	76	-
<b>Total</b>	<b>382</b>	<b>76</b>	<b>76</b>	<b>-</b>

The Accounting Officer stated that the three hundred and eighty two (382) inspection points include distribution points and that the Ministry only has fourteen (14) main stock points.

### 2.6 Vehicles

#### (i) Vehicles on hand ( Own fleet)

The Accounting Officer reported vehicles on hand for the year ended 31 March 2019 as follows:

Own fleet	Sedan	Pick- ups combies	Heavy vehicles(Lorries, tractors &buses)	Motors bikes	Value
Opening balance	103	794	269	81	N\$ 178 684 487.25
Donations	-	1	2	-	6 935 411.00
Auctioned	(37)	(164)	(24)	(12)	(8 845 481.00)
<b>Balance as at 31 March 2019</b>	<b>66</b>	<b>631</b>	<b>247</b>	<b>69</b>	<b>176 774 417.25</b>

## ANNEXURE A (continued)

### (ii) Accidents: Cost of damages

Own fleet	Number	Estimated cost of damage N\$
Vehicles still to be repaired 1 April 2018	79	913 402.56
Accidents reported	5	74 664.64
Vehicles repaired as at 31 March 2019	-	-
Vehicles to be repaired as at 31/03/2019	84	988 067.20

### 2.7 Bursary and study assistance

The Accounting Officer reported that the Ministry assisted twenty seven (27) staff members with their studies amounting to N\$ 1 885 364.51 during the financial year under review.

### 2.8 Losses and damages

The Accounting Officer reported losses and damages as follows:

#### (i) Persons employed by Government

Nature of loss	Equipment N\$	Other items N\$	Amount recovered N\$
Vehicle parts	-	12 850.85	12 850.85
Cell phone	14 000.00	-	14 000.00
Vehicle hit cattle	-	15 000.00	-
Unauthorized kilometre	-	896.00	896.00
Farm gates stolen	600.00	-	-
Laptop	13 499.00	-	-
Stolen gates	2 680.90	-	-
Slaughtered bulls	-	24 000.00	-
Loss of car keys	-	10 000.00	-
Stolen solar panels	36 200.00	-	-
Camping equipment	6 000.00	-	-
Theft of cattle	-	102 000.00	-
<b>Total</b>	<b>72 979.90</b>	<b>164 746.85</b>	<b>27 746.85</b>

#### (ii) Losses or damages through unavoidable causes

The Accounting Officer reported losses and damages through unavoidable causes at an estimated amount of N\$ 561 561.71.



## ANNEXURE A (continued)

### 2.9 Donations

The Accounting Officer reported that the Ministry received the following donations during the year under review with the necessary Treasury approvals:

#### (i) Donations to Government

Description	Donor	Value
2 x Trucks	Knight Piesold Food and Agriculture Organisation	N\$
7 x Used computers and 2 laptops		6 685 411.59
1 x Vehicle and Electronics devices and appliances		7 514.00
<b>Total</b>		<b>292 450.00</b>
		<b>6 985 375.59</b>

#### (ii) Donations by Government

The Accounting Officer reported that Treasury approved donations of thirty two (32) cattle, two (2) oxen, three (3) giraffes and five (5) eland valued at N\$ 231 000.00 for independence day celebrations, Cassinga day and World Food Day.

### 2.10 Livestock

The Accounting Officer reported livestock for the Ministry as follows:

	Sheep	Goats	Cattle	Horses	Chickens	Pigs	Donkeys
<b>Stock on hand 1 April 2018</b>	4 490	1 385	4 475	37	346	31	39
Increased by:							
Progeny	1 119	478	1 011	2	-	21	6
Other	294	4	317	-	-	-	-
Purchase	-	2	-	-	-	-	-
<b>Sub-total (1)</b>	<b>5 903</b>	<b>1 869</b>	<b>5 803</b>	<b>39</b>	<b>346</b>	<b>52</b>	<b>45</b>
Decreased by:							
Sales	81	245	504	-	-	-	-
Losses	961	257	249	4	64	1	2
Other	1 779	70	683	-	62	12	-
<b>Sub-total (2)</b>	<b>2 821</b>	<b>572</b>	<b>1 436</b>	<b>4</b>	<b>126</b>	<b>13</b>	<b>2</b>
<b>Total (1-2)</b>	<b>3 082</b>	<b>1 297</b>	<b>4 367</b>	<b>35</b>	<b>220</b>	<b>39</b>	<b>43</b>

**ANNEXURE A (continued)****2.11 Suspense accounts**

The following seven (7) suspense accounts had balances as at 31 March 2019. Four (4) had debit balances and three (3) had credit balances:

Description	Balance as at 31/03/2019 Debit / (Credit)
	N\$
Receipt suspense	2 400 102.38
RD cheques	219 405.00
S&T advance suspense account	(386 694.32)
Rejection account	4 799 858.83
Bills payable	2 908 475.45
Electronic Fund Transfer Clearing Account (EFT)	(3 223 205.12.)
Pension Fund: GIPF	(165.12)

**2.12 Stores and depots**

The Accounting Officer reported stock at stores and depots for the year under review as follows:

Name of store/depot	Stock on hand as at 01 April 2018	Received during the year	Issued during the year	Stock on hand as at 31 March 2019
	N\$	N\$	N\$	N\$
Oshana, Omusati	3 284 327.77	1 593 058.35	2 162 168.93	2 715 217.20
Zambezi	-	516 229.67	516 229.67	-
Erongo	336 833.52	45 616.43	868 153.76	(485 703.81)
Otjozondjupa central	3 636 033.50	225 503.00	225 503.00	3 636 033.50
Oshikoto/Ohangwena	1 960 848.36	2 882 110.00	2 172 315.43	2 670 642.93
Khomas	222 592.85	4 719 798.96	5 144 595.34	(202 203.53)
Kavango East/West	248 342.06	788 510.05	676 086.44	360 765.65
Kunene/Khorixas	-	-	-	-
Kunene Opuwo	-	-	-	-
Omaheke	280 000.00	2 951 366.67	3 132 500.00	98 866.67
Hardap	1 056 100.82	47 943.43	75 220.00	1 028 824.25
Karas	-	73 055.13	73 055.13	-
Otjozondjupa south	12 554 405.69	212 918.15	89 716.37	12 677 607.47
<b>Total</b>	<b>23 579 484.57</b>	<b>14 056 109.84</b>	<b>15 135 544.06</b>	<b>22 500 550.35</b>

**2.13 Compensation payments**

The Accounting Officer reported that Treasury approved a total amount of N\$ 110 483.40 for the settlement of two (2) civil claims.

WINDHOEK, 2019-10-15

PERCY W. MISIKA  
ACCOUNTING OFFICER