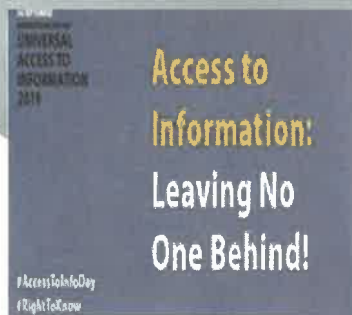




**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF INFORMATION AND  
COMMUNICATION TECHNOLOGY  
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 honor to submit herewith my report on the accounts of the Ministry of Information and Communication Technology for the financial year ended 31 March 2019 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honorable 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 KANDJEKE  
AUDITOR-GENERAL**



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## DEFINITIONS

<b>Treasury:</b>	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
<b>Vote:</b>	Represents an Office/Ministry/Agency.
<b>Appropriation Act:</b>	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
<b>Appropriation Account:</b>	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
<b>Standard sub-division:</b>	Government Balance account, showing balances incurred on each account/activity.
<b>Suspension:</b>	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
<b>Virement:</b>	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
<b>Unauthorised Expenditure:</b>	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
<b>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. <span style="float: right;">specified</span>
<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 INFORMATION AND COMMUNICATION TECHNOLOGY 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 Information and Communication Technology 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 for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the Ministry of Information and Communication Technology as at 31 March 2019 are prepared, in all material respects, in accordance with 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. 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 qualified opinion.

**1.3 KEY AUDIT MATTERS**

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

**1.4 OTHER 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 Information and Communication Technology 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 Information and Communication Technology used the appropriated funds in compliance with the Appropriation Act, 2018 (Act 4 of 2018); State Finance Act, 1991 (Act 31 of 1991), Appropriation Amendment Act, 2018 (Act 15 of 2018), Public Procurement Act, (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 Information and Communication Technology 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 BASIS FOR QUALIFIED AUDIT OPINION**

### **2.6.1 Virements**

The Accounting Officer did not submit Treasury authorization for two (2) virements to the amount of N\$ 20 000 000.00 that was done from the development budget to the operational budget. No virement authorization was also submitted for the virement of N\$ 89 192.00 reflected on the Appropriation account under main division 05.

It is recommended that the Accounting Officer should comply with Section 16(1)(a), of the State Finance Act, 1991 (Act 31 of 1991), which states that *“Notwithstanding the provisions of section 6, which authorise that a saving on - a Column 2 amount of a vote or on an amount mentioned in a main division of a vote, be utilized towards the defrayal of anticipated expenditure which may result in an excess of an amount mentioned in any main division of the vote concerned, including a main division established under section 9(1)(c); an amount mentioned in a subdivision of a main division of a vote, be utilized towards the defrayal of anticipated expenditure which may result in an excess of an amount mentioned in any other subdivision of the main division concerned, including any new subdivision which may be established with the authorisation of the Treasury.”*

The Accounting Officer should ensure that Section 16(1)(a), of the State Finance Act, 1991 (Act 31 of 1991), is complied with and should submit the relevant Treasury authorizations when requested for auditing.

### **2.6.2 Annual stocktaking**

The Accounting Officer did not submit Treasury approval for the annual stocktaking reports of the Erongo, Hardap and Omaheke regions. This is contrary to Treasury Instruction KA 0901, which states that *“Stores, equipment and livestock shall be subjected to stocktaking at least once each financial year and the Accounting Officer shall submit the report thereon (as intended in T.I KA 0905) to Treasury for approval as soon as possible after the stocktaking, but in any case within 30 days after the end of the financial year concerned.”*

The Accounting Officer should ensure that Treasury Instruction KA 0901 is complied with at all the times.

### **2.6.3 Non-submission of supporting documents, vouchers and registers**

Section 26(b)(ii) of the State Finance Act, 1991 (Act 31 of 1991) states that the Auditor-General or any competent person employed in the Office of the Auditor-General shall have access to all books, vouchers and other documents which the Auditor-General deems necessary for an audit.

The Accounting Officer did not provide supporting documents (vouchers/records and registers) to verify the correctness of the statements, transactions and proper recording of assets, hence, audit scope limitation.

Supporting documents were not provided to verify the correctness of the following statements:

- Bank accounts (income and expenditure statements bank reconciliation for all bank accounts as well the bank statements for MICT Khomas Regional Council);
- Outstanding commitments; and
- Stores and depots (Store receipt/Issue vouchers). The opening balances for stock kept in stores could also not be verified due to non-submission of documents.

It is recommended that in future, the Accounting Officer should ensure that all requested and required documents are provided for audit purposes.

## 2.7 Key audit findings

### 2.7.1 Unauthorised expenditure

The unauthorised expenditure mentioned below occurred during the financial year and is reported as such in terms of Section 27 (6)(a) of the State Finance Act, 1991 (Act 31 of 1991).

Although Treasury approval was obtained to utilize certain expected savings for the defrayal of expenditure through virements during the year, three (3) operational sub-divisions were exceeded by a total amount of N\$ 276 798.27. The excess is contrary to Section 6 (a)(iii) of the Act.

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

#### Management comment

The Accounting Officer indicated that the Ministry could not locate an amount of N\$ 276 798.27 as indicated in the draft report.

### 2.7.2 Suspense accounts

The Accounting Officer submitted a certificate which states that Treasury Instruction FD 0703 has been complied with. However, the suspense accounts reflect balances which have not been analysed and reconciled. The Accounting Officer did not comply with Treasury Instruction FD 0704 which requires the Accounting Officer to provide the Auditor-General with an annual return of all amounts and cases, which appears in their suspense accounts and shall indicate in which cases amounts are regularly recovered or what steps have been or will be taken to recover the amounts.

The following suspense accounts had balances at 31 March 2019:

Description	Balance as at 31/03/2019 Debit / (Credit)
	N\$
Receipt suspense	(920 854.40)
R&D cheques	17 760.00
S&T advance suspense account	127 088.69
Rejection account	(801 943.31)
Bills payable	60 314.12
Electronic Fund Transfer Clearing Account (EFT)	3 048 148.86
Social Security	(928.10)
Pension Fund: GIPF	(49 679.84)
Commercial Bank of Namibia	(6 582.07)
Debt establishment	176 386.42

It is recommended that the Accounting Officer should explain why Treasury Instruction FD 0704 was not complied with.

**Management comment**

The Accounting Officer indicated that balances were migrated from the old Integrated Financial Management System. The Ministry is busy with reconciliations.

**2.8 QUALIFIED AUDIT OPINION ON THE SUBJECT MATTER**

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the Ministry of Information and Communication Technology 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 Instructions, Public Procurement Regulations and Appropriation Act, 2018 (Act 4 of 2018) and Appropriation Amendment Act, (Act 15 of 2018).

**3. AUDIT OF PERFORMANCE INFORMATION**

The Accounting Officer did not submit supporting evidence in respect of Key Performance Indicators to enable the auditors to determine whether the indicators and targets reported in the Annual Plan were measurable and relevant, as well as to assess the reliability of the reported performance information to determine whether it was valid, accurate and complete.

The Accounting Officer should explain why the Ministry did not provide the requested documents for audit purposes.

**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, (Act 4 of 2018); State Finance Act, 1991, (Act 31 of 1991), Appropriation Amendment Act, (Act 15 of 2018), Public Procurement Act, (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations 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 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 matters 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 scepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 is 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, (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. 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**

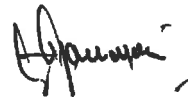
The financial statements, notes to the financial statements and general information provided by the Executive Director are attached as Annexure A.

The accounts were submitted timeously by the Executive Director to the Auditor-General on 30 October 2019 in terms of Section 13 of the State Finance Act, 1991(Act 31 of 1991).

## **7. ACKNOWLEDGEMENT**

The co-operation and assistance by the management and staff of the Ministry of Information and Communication Technology during the audit is appreciated.

**WINDHOEK, MARCH 2020**



**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

# ANNEXURE A

## 1. AUDITED FINANCIAL STATEMENTS

### 1.1 Appropriation account

2018/2019					2017/2018	
Service	N\$	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	5 800 000					
Less: Virement	(671 000)					
Less: Suspension	(46 166)	5 082 834	4 741 426.44	341 407.56	6.72	7 218 018.66
<b>02. Coordination and Support:</b>						
Original budget	79 854 000					
Less: Virement	(21 905 735)					
Less: Suspension	(64 029)	57 884 236	56 665 815.10	1 218 420.90	2.10	77 204 596.55
<b>03. Print Media and Regional Offices:</b>						
Original budget	45 485 000					
Plus: Virement	1 318 835					
Less: Suspension	(116 805)	46 687 030	46 256 280.10	430 749.90	0.92	72 959 927.11
<b>04. Audio-Visual Media and Namibia Communication Commission:</b>						
Original budget	206 728 000					
Plus: Additional budget	100 000 000					
Plus: Virement	21 347 092					
Less: Suspension	(73 000)	328 002 092	327 218 957.67	783 134.33	0.24	335 732 447.11
<b>05. Audio-visual media, Copyright Services and Regional Offices:</b>						
Original budget	8 030 000					
Less: Virement	(89 192)	7 940 808	7 181 679.33	759 128.67	9.56	8 325 890.89
<b>Total</b>		<b>445 597 000</b>	<b>442 064 158.64</b>	<b>3 532 841.36</b>	<b>0.79</b>	<b>501 440 880.32</b>

## 1.2 Standard subdivisions

Subdivision	2018/2019			2017/2018
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	69 862 735	68 037 256.61	1 825 478.39	66 457 250.00
002. Employer's contribution to GIPF	8 615 000	8 211 834.26	403 165.74	8 139 083.97
003. Other conditions of service	1 144 000	1 117 755.63	26 244.37	1 626 005.89
005. Employees contribution to the social security	245 000	215 544.63	29 455.37	180 647.47
<b>Total</b>	<b>79 866 735</b>	<b>77 582 391.13</b>	<b>2 284 343.87</b>	<b>76 402 987.33</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	5 653 265	5 510 774.01	142 490.99	5 323 391.57
022. Materials and supplies	2 106 000	1 957 549.51	148 450.49	912 225.32
023. Transport	9 000 000	8 942 778.17	57 221.83	24 046 757.63
024. Utilities	12 381 000	12 156 240.89	224 759.11	11 030 178.32
025. Maintenance	659 000	518 649.50	140 350.50	1 888 379.48
026. Property rental and related charges	4 190 000	4 190 000.00	-	4 464 838.06
027. Other services and expenses	3 608 835	3 582 332.95	26 502.05	25 008 139.40
029. Printing and advertisements	3 041 195	2 946 193.52	95 001.48	-
031. Entertainment politicians	11 805	11 802.97	2.03	-
033. Office refreshments	50 000	50 000.00	-	-
040. Security contracts	1 200 000	1 199 998.16	1.84	-
<b>Total</b>	<b>41 901 100</b>	<b>41 066 319.68</b>	<b>834 780.32</b>	<b>72 673 909.78</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	1 200 000	1 200 000.00	-	1 313 276.71
<b>Total</b>	<b>1 200 000</b>	<b>1 200 000.00</b>	<b>-</b>	<b>1 313 276.71</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
045. Public and departmental enterprises and private industries	-	-	-	334 752 999.40
049. Support for non-profit organisations	3 000 000	3 000 000.00	-	-
053. Subsidies for state owned enterprises	306 962 165	306 962 085.00	80.00	-
<b>Total</b>	<b>309 962 165</b>	<b>309 962 085.00</b>	<b>80.00</b>	<b>334 752 999.40</b>
<b>Total: Current expenditure</b>	<b>432 930 000</b>	<b>429 810 795.81</b>	<b>3 119 204.19</b>	<b>485 143 173.22</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	-	-	-	3 846 760.96
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 846 760.96</b>
<b>Total: Operational expenditure</b>	<b>432 930 000</b>	<b>429 810 795.81</b>	<b>3 119 204.19</b>	<b>488 989 934.18</b>
<b>Development:</b>				
<b>Capital expenditure: Acquisition of assets</b>				
105. Feasibility studies, design and supervision	-	-	-	695.47
107. Construction, renovation and improvements	12 667 000	12 253 362.83	413 637.17	12 450 250.67
<b>Total: Development expenditure</b>	<b>12 667 000</b>	<b>12 253 362.83</b>	<b>413 637.17</b>	<b>12 450 946.14</b>
<b>GRAND TOTAL</b>	<b>445 597 000</b>	<b>442 064 158.64</b>	<b>3 532 841.36</b>	<b>501 440 880.32</b>

### 1.3 Departmental revenue

Revenue collected for the year is as follows:

Revenue head	Estimate	Actual revenue 2018/2019	More/(Less) than estimated	Actual revenue 2017/2018
	N\$	N\$	N\$	N\$
Miscellaneous	10 000	-	(10 000.00)	50 297.77
Sale of Constitution	15 000	-	(15 000.00)	2 205.00
Sale of Photos	100 000	1 000.00	(99 000.00)	12 060.00
Sale of Namibia Review	10 000	-	(10 000.00)	4 220.00
Public Address System	250 000	-	(250 000.00)	103 180.10
Unclaimed cheques	-	-	-	952 074.71
<b>TOTAL</b>	<b>385 000</b>	<b>1 000.00</b>	<b>(384 000.00)</b>	<b>1 124 037.58</b>

### 1.4 NOTES TO THE FINANCIAL STATEMENTS

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

##### Underexpenditure

##### Main division 01: Office of the Minister (N\$ 341 407.56 – 6.72%)

Some budgeted official trips were cancelled due to a moratorium on travelling imposed as cost cutting measures by His Excellency President Hage Geingob. Furthermore, a reduction in the number of daily newspapers and magazine subscriptions also contributed to this underexpenditure.

##### Main division 02: Coordination and Support (N\$ 1 218 420.90 – 2.10%)

The cost cutting measures from Secretary to Cabinet across OMAs contributed to underexpenditure as planned and budgeted trips could not be undertaken. Furthermore, the MICT Regional Offices capital projects did not start earlier as planned due to final approval of drawings and Bill of Quantities from the Ministry of Works and this resulted in some underexpenditure.

##### Main division 05: Audio-visual media, Copyright Services and Regional Offices (N\$ 759 128.67 – 9.56%)

Due to cost cutting measures, the main division had to foregone some budgeted events whilst some official trips were sponsored by the African Union and South African Development Community. In line with the cost cutting measures, for purposes of conducting workshops, the main division had to use State facilities that were for free or at a reduced price.

### 1.5 Bank accounts

The Accounting Officer reported that the Ministry operated the following bank accounts during the financial year under review:

Account name	Financial institution	Closing balance as at 31 March 2019
		N\$
Namibia Communication Commission	Standard Bank	49 044 076.82
Namibia Film Commission	Nedbank	479 499.69
Nationhood and National Pride Campaign Programme	First National Bank	38 947.88
Annual National ICT Summit	Standard Bank	326 480.34
MICT Oshikoto Regional Council	Bank Windhoek	152 629.10
MICT Omaheke Regional Council	Bank Windhoek	315 742.54
MICT Kavango West Regional Council	Bank Windhoek	117 661.70
MICT Otjozondjupa Regional Council	Bank Windhoek	154 105.14
MICT Oshana Regional Council	Bank Windhoek	305 347.96
MICT Hardap Regional Council	Bank Windhoek	303 733.83
MICT Kunene Regional Council	Bank Windhoek	334 444.24
MICT Zambezi Regional Council	Bank Windhoek	217 144.25
MICT Kavango East Regional Council	Bank Windhoek	217 144.25
MICT Karas Regional Council	Bank Windhoek	169 646.85
MICT Erongo Regional Council	Bank Windhoek	186 151.81
MICT Ohangwena Regional Council	Bank Windhoek	40 613.36
MICT Omusati Regional Council	Bank Windhoek	3 790.94

### 1.6 Transfer of movable property

The Accounting Officer reported that gadgets with a total value of N\$ 10 000.00 were transferred to the Anti-Corruption Commission. Treasury approval was obtained.

### 1.7 Vehicle accidents

The Accounting Officer reported seven (7) vehicle accidents during the financial year under review. Ten (10) vehicles, including three (3) from the prior financial year, were repaired at a total cost of N\$ 350 168.40. Twenty four (24) vehicles were still to be repaid by 1 April 2018; therefore twenty one (21) vehicles are still to be repaired by 31 March 2019.

### 1.8 Vehicles on hand

The Accounting Officer reported Government Garage fleet on hand at 31 March 2019 as follows:

Vehicle type	Number of vehicles
Sedans	22
Pick-ups and combies	62
Heavy vehicles ( Lorries, Tractors & Busses)	1

### 1.9 Points keeping stock and annual stocktaking

The Accounting Officer reported that the Ministry has twenty (20) points where stock and equipment are kept. Surplus valued at N\$ 240 051.00, deficiencies valued at N\$ 19 730.00 and worn and damaged items valued at N\$ 33 558.48 were detected during the stock takings.

### 1.10 Internal inspections

The Accounting Officer reported that the Ministry conducted a total of fifty-four (54) internal inspections which comprises of fourteen (14) financial, twenty (20) stock and equipment and twenty (20) internal audit inspections.

### 1.11 Capital projects

The following is the development project of the Ministry for the financial year under review:

Name of project	Approved total budget	Total expenditure as at 31/03/2018	Approved appropriation 2018/2019	Actual expenditure 2018/2019	Total expenditure as at 31/03/2019	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
MICT Office Construction (Regional Offices)	230 000 000	77 738 557.58	12 667 000	12 253 362.83	89 991 920.41	31/03/2020
<b>Total</b>	<b>230 000 000</b>	<b>77 738 557.58</b>	<b>12 667 000</b>	<b>12 253 362.83</b>	<b>89 991 920.41</b>	

### 1.12 Suspense accounts

The Accounting Officer reported that ten (10) suspense accounts had outstanding balances of which five (5) had credit balances and five (5) had debit balances as follows:

Description	Balance as at 31 March 2019 Debit/(Credit)
	N\$
Receipt suspense	(920 854.40)
R&D cheques	17 760.00
S&T advance suspense account	127 088.69
Rejection account	(801 943.31)
Bills payable	60 314.12
Electronic Fund Transfer Clearing Account (EFT)	3 048 148.86
Social Security	(928.10)
Pension Fund: GIPF	(49 679.84)
Commercial Bank of Namibia	(6 582.07)
Debt establishment	176 386.42

WINDHOEK, 17 OCTOBER 2019

MR. M. UA-NDJARAKANA  
ACCOUNTING OFFICER