

REPUBLIC OF NAMIBIA



BUDGET MOTIVATION

2024/2025 FINANCIAL YEAR

VOTE 04

PRESENTED BY

HONOURABLE CHRISTINA //HOEBES,

MINISTER IN THE PRESIDENCY



MARCH 2024
NATIONAL ASSEMBLY

Honourable Speaker,

1. I rise to motivate Vote 04, Auditor-General. The Office of the Auditor General is established as an independent and impartial body with powers, functions and duties as provided in its enabling legislation, mandated to ensure accountability and transparency in the use of public funds through its audit reports and report thereon to the National Assembly.
2. Auditor-General's reports over the years have identified governance and public finance management gaps that need to be addressed by Accounting Officers, providing independent audit assurance to stakeholders in accordance with International Auditing Standards and complying with legal obligations concerning its audit mandate and required reporting on the regularity and efficiency of the use of public funds.
3. The institution is pleased to inform the House, that the Office of the Auditor-General has successfully implemented its strategic plan to ensure it meets its constitutional obligation. The 2023 Strategy and Annual Plan includes strategies to inculcate transparent and accountable leadership in our public institutions. I am pleased to inform you that the nation has started to reap benefits from the implementation of the Office of the Auditor-General Strategy.
4. Efforts to achieve financial and operational autonomy as contained in the strategy have finally made some groundbreaking achievements, with the finalization of the first layman Draft of the Auditor-General's Public Audit Bill. Once enacted, the Public Audit Act will increase the powers, duties, and functions of the Auditor-General to better account for the use of public funds.

5. In its efforts to achieve Audit and Operational Excellence the Office of the Auditor General has managed to table **hundred and thirteen (113)** audit reports for the **2023/24** financial year, for Local Authorities, O/M/As, SOEs, Funds, and Regional Councils. The Office also tabled **five (5)** performance audit reports covering the Service delivery to Orphans and Vulnerable children in Namibia, Management of Environmental Impact Assessments, Management Plans and Clearance Certificates in Namibia, Gender Equality in Governance and Decision making and Economic Empowerment in Namibia. In addition, the Office also managed to clear the backlog of pending audits from previous years through the recruitment and training of new auditors. It increased the audit coverage of the total government expenditure from **66% to 80%** over the past two financial years. It is also worth noting that through its decade-long stakeholder engagement program, the Office has managed to improve audit opinions, minimize audit findings, and improve the backlogs of its audit stakeholders.
6. Capacity shortcomings impacting the timeliness of some audits due to staff shortages remain a challenge. The Offices aims to address this by expanding its training programs and recruitment drives in the coming year. The Office continuously experiences a high staff turnover especially its trained auditors, due to a lack of sufficient resources, therefore, the Office plans to fully operationalize its professionalization strategy to harness its professional public auditors as well as establish the Office of the Auditor-General into a catalyst Public Audit Training hub – a first of its kind, in the new financial year.
7. The Auditor-General boasts increased relevance year-on-year, especially through having introduced two specialised audit types in the past **six (6)** years namely; Information System Audits and Compliance Audits.

These two audit types align with the Auditor-General's mandate for assessing compliance with laws and regulations and, the effectiveness of internal controls at public entities. Furthermore, they are used to evaluate the confidentiality, integrity, and availability with the view of safeguarding the quality, integrity, and security of information financial and non-financial systems and procedures.

Part of the numerous benefits these audit types offer to citizens include:

- Deters fraud, and the leakage of personal data, and system outages by ensuring confidentiality, availability, and functionality controls are working adequately across public Information technology infrastructure.
- Builds trust by assuring citizens that e-government platforms such as the Integrated Tax Administration System (ITAS), follow international standards, and local laws.
- Strengthens efficiency by identifying gaps and non-compliance early so O/M/As proactively mitigate risks. This was evident during the Covid-19 Audit which enabled the government to assess how many available hospital beds and oxygen machines were available during its peak season of infection.

Honourable Members,

8. The following Compliance and Information System Audits were conducted during the previous financial year:

Topic	Audit Type
IFMS- Ministry of Finance and Public enterprises with Annual Data analysis on Transactions for 2022-2023	Information System Audit
Social Security Systems	Information System Audit
Extractive Industries Audit: Awarding Contracts and Licenses as well as Monitoring Operations of Gold Mining and Legal Framework	Compliance Audit
Regional Cooperative Audit: SDG: "Impact of climate resilience/adaptation strategies"	Compliance Audit
An assessment on the implementation of the disability policies and legal framework in Namibia	Compliance Audit
Assessment of Medical Complaints and Compensation concerning Health Practitioners in the Public sector	Compliance Audit

9. The Auditor General's objective assessments on financial compliance, operational effectiveness, and safeguarding of public resources across state organs are pivotal for upholding good governance and accountability to citizens. As the only independent and technically qualified reviewer empowered to scrutinize the accounts of public entities, the Auditor-General provides Parliament and our society impartial insights, revealing misuse of funds, procedural violations, capacity gaps, or control lapses needing urgent redress across public institutions.

By diagnosing risks or performance shortcomings early, the Auditor-General alerts both decision-makers and the public to mitigate bigger failures if left unaddressed. Thus the Auditor-General's reports underpin national interest for judicious policymaking and responsible utilization of taxes towards effective public service for all.

Honourable Speaker,

10. During the **2024/25** Financial Year, the Office intends to finalize **one hundred and thirty-four (134)** Audit Reports. These include **thirty-six (36)** government audit reports, **eighty-seven (87)** Regional and Local Authority and Statutory Body audit reports, together with **fifty-eight (58)** assets inspection audits. A cumulative amount of **eleven (11)** specialized audit reports, including compliance audit reports and information system audit reports.

Honourable Members,

- 11.** I would like to draw your attention to the following performance and environmental audits to be conducted during the **2024/25** financial year.

Topic	Audit Type
Management of Wildlife in National Parks in Namibia	Environmental Audit
Impact of climate resilience/adaptation strategies SDG 2.3	Environmental Audit
Management of Environmental Investment Fund	Environmental Audit
Climate Change Adaptation Actions	Environmental Audit
Disposal of GRN vehicles	Performance Audit
Management of Fisheries Resources	Environmental Audit follow up
Tax Collection	Performance Audit follow up

- 12.** With the Office making new strides in the audit of extractive industries, the Office of the Auditor-General therefore anticipate to share in government's green energy and extractive industries, hence the inclusion of the Environmental Audit namely: Impact of climate resilience/adaptation strategies SDG 2.3 during **2024/25** financial year.

Honourable Speaker,

13. In the **2024/25** financial year, the Office will pursue **three (3)** main programmes, namely;

Programme 1: Independence and Legal Framework;
Programme 2: Public Expenditure Oversight and
Programme 99: Policy Co-ordination and Support Services

I wish to provide some details on each of these programmes.

14. Programme 1: Independence and Legal Framework

The Office of the Auditor-General's top priority is acquiring and maintaining financial and administrative autonomy as well as suitable human, material, and financial resources. Operational and fiscal independence will allow the Auditor General to truly actualize its constitutional mandate and catalyse governance progress in the national public interest through increased impartiality, expanded audit reach and visibility, improved public confidence and trust and guarantees stronger reforms. It is therefore the hope of the Office to present the Public Audit Bill to Cabinet through the Minister of Finance and Public Enterprise for approval within the new financial year to ensure sustained audit excellence.

Therefore, an amount of **seventy-seven million, eight hundred and thirty-eight thousand Namibia Dollars (N\$ 77 838 000)** is required to fund this programme.

15. Programme 2 : Public Expenditure and Oversight

This oversight covers the Office's operational spending utilized for programs, services, projects, and other state functions financed using national budget resources. Ideally, this vote carries the Office's core

function which is to audit state entities, therefore, annual audits tabled to parliament promote transparency so legislative debates shape fiscal reforms addressing gaps flagged by the Auditor-General.

This programme aims to elevate governance to secure accountability for state funds which uphold citizen services and development. The public expenditure oversight programme ultimately helps safeguard judicious usage of taxpayer monies in retrospect of how the Office conducts its audit reporting processes.

An amount of **two million, four hundred and fifty one thousand Namibia Dollars (N\$ 2 451 000)** is required to fund this programme.

16. Programme 99: Policy Co-ordination and Support Services

This programme aims to support the Office in the overall administration and provide logistical and technical support for the Office's audit divisions. Key elements of this program include the provision of human resource management, training, and development as well as the support of strategic planning and performance management for the Office.

An amount of **forty-four million, four hundred and seventy three thousand Namibia Dollars (N\$ 44 473 000)** is required to fund this programme:

- 17.** In light of these priorities and taking prevailing economic constraints into account, I hereby request a budget allocation of a total amount of **one hundred twenty-four million, seven hundred and sixty-two thousand Namibia Dollars (N\$ 124,762,000)** as per the Appropriation Bill 2024/25. This will enable the Office to meet

its responsibilities under the State Finance Act to certify the accuracy of government financial statements.

The requested budget increase of **4.1%** from last year will go towards expanding the Office' staff capacity, especially in specialized areas such as procurement, asset management, and information system audits. It will also facilitate more training workshops and the adoption of data analytics tools to strengthen oversight and transparency.

Honorable Members,

- 18.** This concludes my budget motivation of Vote 04, Auditor General. I thank you for your attention and look forward to your favourable consideration of my request. Let us work together to promote accountability and integrity across our government institutions.

I thank you.