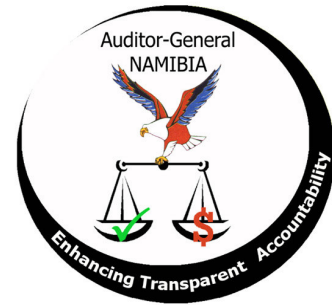




**REPUBLIC OF NAMIBIA**



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

# **MINISTRY OF VETERANS AFFAIRS**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008**

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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 Veterans Affairs for the financial year ended 31 March 2008 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, April 2009**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL  
ON THE ACCOUNTS OF THE  
MINISTRY OF VETERANS AFFAIRS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2008**

**1. INTRODUCTION**

**1.1 Report**

This report on the accounts of the Ministry of Veterans Affairs for the financial year ended 31 March 2008 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991), as amended.

**1.2 Powers and duties**

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) all reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) all reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, the State Finance Act, 1991, Section 26(1) (b) (iv) empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

**2. FINANCIAL STATEMENTS**

The appropriation accounts were submitted to the Auditor-General in terms of Section 13 of the State Finance Act, 1991. The financial statements, notes to the financial statements and general information supplied by the Accounting Officer are attached as annexure A to this report.

**3. SCOPE OF THE AUDIT**

**3.1** The Accounting Officer of the Ministry of Veterans Affairs is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions therein. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The audit included:

- (a) examination on a test basis of evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements; and
- (b) evaluation of the overall adequacy of the presentation of information in the financial statements.

- 3.2** The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:
- (a) the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;
  - (b) in all material respects, the expenditure and income have been applied to the purposes intended by the legislature; and
  - (c) the financial transactions conform to the authorities that govern them.

#### **4. AUDIT OBSERVATIONS**

##### **4.1 MAIN ISSUES/FINDINGS IDENTIFIED BY THE AUDIT**

###### **4.1.1 Unauthorised expenditure**

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

Although Treasury approval was obtained to utilize expected savings for the defrayal of excess expenditure by way of virements during the year, four (4) subdivisions were still exceeded with N\$ 502 954.73 which is unauthorized in terms of Section 6 (a)(iii) of the Act.

The total budget reflected an underexpenditure of N\$ 2 885 334.58 (12.55%).

###### **4.1.2 Appropriation account**

The virements on all four (4) main divisions of the Ministry do not agree with the amounts approved by Treasury. The differences are as follows:

<b>Main division</b>	<b>Approved virement</b>	<b>Amount in appropriation account</b>	<b>Difference</b>
	N\$	N\$	N\$
Office of the Minister	(1 011 000)	(1 061 000)	(50 000)
General Services	(503 000)	(2 840 9000)	(2 337 900)
Policy, Social Support, Training and Skills Development	3 932 000	6 319 400	2 387 400
	(2 418 000)	(2 417 500)	500

The Accounting Officer should ensure that the approved virements agree with the appropriation account.

###### **4.1.3 Explanations of variations exceeding 2% between the amounts voted and the actual expenditure**

The Accounting Officer submitted one summarised explanation for the underexpenditure on all four (4) main divisions whereas the State Finance Act, 1991, requires under Section 13 (2) that an explanation should be given for each main division which exceeds a 2% variation separately.

## **5. ACKNOWLEDGEMENT**

The co-operation and assistance given by the management and staff of the Ministry of Veterans Affairs during the audit is appreciated.

## **6. AUDIT OPINION**

I certify that I have audited the financial statements of the Ministry of Veterans Affairs for the year ended 31 March 2008, in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, 1991 (Act 31 of 1991).

The financial statements fairly represent the receipts and payments of Vote 31 for the year ended 31 March 2008 and in all material respects and the receipts and payments have been applied to the purposes intended by the National Assembly and conform to the authorities which govern them.

**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

**OFFICE OF THE AUDITOR-GENERAL**  
**B.P.I Building**  
**Independence Avenue 277**  
**Private Bag 13299**  
**WINDHOEK**  
**NAMIBIA**

## ANNEXURE A

## 1. FINANCIAL STATEMENTS

## 1.1 Appropriation account

2007/2008						2006/2007
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
<b>01. Office of the Minister:</b>						
Original budget	2 996 000				-	
Less: Virement	(1 061 000)	1 935 000	1 335 251.72	599 748.28	30.99	-
<b>02. General Services:</b>						
Original budget	8 559 000				-	
Less: Virement	(2 840 900)	5 718 100	4 613 700.85	1 104 399.15	19.31	-
<b>03. Policy, Social Support, Training and Skills Development:</b>						
Original budget	7 106 000				-	
Plus: Virement	6 319 400	13 425 400	12 729 413.23	695 986.77	5.18	-
<b>04. Project Management</b>						
Original budget	4 325 000				-	
Less: Virement	(2 417 500)	1 907 500	1 422 299.62	485 200.38	25.44	-
<b>Totals:</b>		<b>22 986 000</b>	<b>20 100 665.42</b>	<b>2 885 334.58</b>	<b>12.55</b>	-

## 2.1 Standard subdivisions

Subdivision	2007/2008			2006/2007
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	4 326 600	4 122 236.32	204 363.68	-
002. Employer's contribution to staff's pension fund	438 400	343 907.79	94 492.21	-
003. Other conditions of service	23 500	2 753.28	20 746.72	-
<b>Total</b>	<b>4 788 500</b>	<b>4 468 897.39</b>	<b>319 602.61</b>	<b>-</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	2 351 000	910 122.26	1 440 877.74	-
022. Materials and supplies	382 000	155 597.19	226 402.81	-
023. Transport	386 000	888 954.73	(502 954.73)	-
024. Utilities	529 000	333 094.60	195 905.40	-
025. Maintenance expenses	74 000	9 047.05	64 952.95	-
027. Other services and expenses	840 000	428 727.51	411 272.49	-
<b>Total</b>	<b>4 562 000</b>	<b>2 725 543.34</b>	<b>1 836 456.66</b>	<b>-</b>
<b>Current expenditure: Subsidies &amp; other transfers</b>				
043. Government organisations	10 905 000	10 776 000.00	129 000	-
<b>Total</b>	<b>10 905 000</b>	<b>10 776 000.00</b>	<b>129 000</b>	<b>-</b>
<b>Total: Current expenditure</b>	<b>20 255 500</b>	<b>17 970 440.73</b>	<b>2 285 059.27</b>	<b>-</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	1 588 500	1 073 427.62	515 072.38	-
102. Vehicles	1 142 000	1 056 797.07	85 202.93	-
<b>Total</b>	<b>2 730 500</b>	<b>2 130 224.69</b>	<b>600 275.31</b>	<b>-</b>
<b>Total: Operational expenditure</b>	<b>22 986 000</b>	<b>20 100 665.42</b>	<b>2 885 334.58</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>22 986 000</b>	<b>20 100 665.42</b>	<b>2 885 334.58</b>	<b>-</b>

**1.4 NOTES TO THE FINANCIAL STATEMENTS**

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

**Underexpenditure**

The Accounting Officer explained the reasons for the underexpenditure on all four (4) main divisions as follows:

The delay in passing the Veterans Act of 2008 and the drafting of a Strategic Plan for the Ministry of Veterans Affairs, restricted the Ministry in as far as service delivery to the veterans and hence resulted in underspending. Variances are further explained by the fact that the recruitment process took very long to complete, and this resulted in delay of key activities to be undertaken and therefore savings had mostly to do with personnel. There are savings on remuneration of staff (6%), savings on subsistence and travelling allowances expenditure (N\$ 1 440 877.74) which represent 43% of the total underexpenditure and furniture and office equipment (15%) and other services and expenses (12%) of the total underspending respectively. All underexpenditure is mainly linked to staff availability.

**WINDHOEK, 2008-10-10**

**WN AMAGULU  
ACCOUNTING OFFICER**