



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

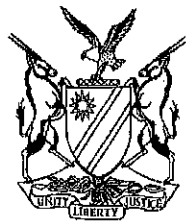
MINISTRY OF VETERANS AFFAIRS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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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 2012 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, September 2013

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

**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 2012**

1. INTRODUCTION

1.1 Report

This report on the accounts of the Ministry of Veterans Affairs for the financial year ended 31 March 2012 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 Underexpenditure

The total budget of the Ministry was underspent with a total amount of N\$ 2 467 148.10 (0.2%).

The under mentioned unauthorised expenditure 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 utilise certain expected savings for the defrayal of excess expenditure by way of virements during the year, one (1) operational expenditure subdivision was exceeded by a total amount of N\$ 5 660.60 which is unauthorised in terms of Section 6(a)(iii) of the Act.

The accounting Officer is commended for a good budget control of underexpenditure of 0.2% and the one sub division that is over spend.

4.1.2 Virements

The following differences were found between the virements authorised by Treasury and the virements processed to the Appropriation account:

Main Division	Virements processed	Authorised Virements	Difference
	N\$	N\$	(N\$)
01	971 300	874 300	97 000
02	2 707 163	3 658 174	(951 011)
03	3 419 402	3 194 191	225 211
04	(7 097 865)	(7 892 665)	794 800

The Accounting Officer should ensure that the amounts approved by Treasury agree with the amounts reflected in the General Ledger and where necessary, adjusted Treasury authorisation must be obtained.

4.1.3 Suspense accounts

The Ministry had outstanding balances on five (5) suspense accounts, of which all five (5) with credit balances for the year under review. The following accounts have closing balances in excess of N\$ 100 000:

Account	Amount
	N\$
Rejection Account	(136 069 025.15)
Bills Payable	(1 056 015.33)
Electronic Fund Transfer Clearing	(9 552 724.75)

The Accounting Officer should take all necessary steps to reconcile and reduce the balances on the rejection suspense account.

4.1.4 Outstanding balance on Subsistence and Travelling allowance

The general ledger reflects a credit closing balance on the subsistence & traveling advance suspense account amounted to N\$ 1 481.89. However, the statement submitted by the Accounting Officer shows an outstanding amount of N\$ 153 239.08.

The difference of N\$ 151 757.19 has to be explained by the Accounting Officer.

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. EMPHASIS OF MATTER

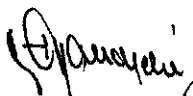
Without qualifying my opinion, attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements:

- a) Paragraph 4.1.2 Virements. Differences noted between virements authorized by Treasury and those reflected in the Appropriation account.

7. AUDIT OPINION

I certify that I have audited the financial statements of the Ministry of Veterans Affairs for the year ended 31 March 2012, 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 2012 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
269 Independence Avenue
Private Bag 13299
WINDHOEK
NAMIBIA

1. FINANCIAL STATEMENTS

1.1 Appropriation account

2011/2012						2010/2011
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent -age		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Minister:						
Original budget						
Plus: Virement	1 078 300	4 707 300	4 256 175.57	451 124.43	9.58	2 850 931.58
02. General Services:						
Original budget	14 980 000					
Plus: Virement	3 106 119	18 086 119	17 347 074.00	739 045.00	4.09	10 730 244.47
03. Policy, Social Support, Training and Skills						
Development:						
Original budget	1 169 728 000					
Plus: Virement	3 867 402	1 173 595 402	1 172 817 545.00	777 857.00	0.07	235 266 703.01
04. Project Management						
Original budget	22 467 000					
Less: Virement	(6 494 865)	15 972 135	15 473 013.33	499 121.67	3.12	17 014 348.06
Totals:	1 212 360 956	1 209 893 807.90	2 467 148.10	0.2	265 862 227.12	

1.2 Standard subdivisions

Subdivision	2011/2012			2010/2011
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational				
Current expenditure: Personnel				
001. Remuneration	20 402 656	20 209 435.00	193 221.00	15 948 571.71
002. Employer's contribution to staff's pension fund	2 376 000	2 299 121.63	76 878.37	1 692 344.80
003. Other conditions of service	908 400	657 351.77	251 048.23	151 930.13
Total	23 687 056.00	23 165 908.40	521 147.60	17 792 846.64
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	4 266 000	3 481 261.87	784 738.13	4 127 062.03
022. Materials and supplies	885 211	680 973.96	204 237.04	771 017.84
023. Transport	7 868 400	7 865 698.93	2 701.07	5 075 949.36
024. Utilities	1 925 600	1 857 296.91	68 303.09	1 618 065.95
025. Maintenance	158 800	105 069.50	53 730.50	144 637.35
026. Property Rentals & Related Charges	408 000	238 261.00	169 739.00	41 681.43
027. Other services and expenses	2 833 000	2 694 089.97	138 910.03	8 325 815.93
Total	18 345 011	16 922 652.14	1 422 358.86	20 104 229.89
Current expenditure: Subsidies, grants and other transfers				
043. Government organisations	1 162 101 245	1 162 101 245.00	-	221 800 000.00
Total	1 162 101 245	1 162 101 245.00	-	221 800 000.00
Total: Current expenditure	1 204 133 312	1 202 189 805.54	1 943 506.46	259 697 076.53
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 712 189	1 562 830.71	149 358.29	678 489.32
102. Vehicles	583 700	583 625.00	75.00	-
Total: Capital expenditure	2 295 889	2 146 455.71	149 433.29	678 489.32
Total: Operational expenditure	1 206 429 201	1 204 336 261.00	2 092 939.75	260 375 565.85

(Continued)

ANNEXURE A (continued)

Standard subdivisions (continued)

Subdivision	2011/2012			2010/2011
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Development				
Capital expenditure: Goods & other services				
022. Materials & supplies	647 593	622 625.47	24 967.53	99 713.76
027. Other services & expenses	1 599 673	1 544 066.17	55 606.83	1 458 926.66
Total	2 247 266	2 166 691.64	80 574.36	1 558 640.42
Capital expenditure: Acquisition of assets				
103. Operational equipment, machinery and plants	10 000	-	10 000.00	(1 171 789.40)
104. Purchase of buildings	-	-	-	489 779.83
105. Feasibility studies, design and supervision	110 000	110 000.00	-	765 536.60
106. Purchase of land and intangible Assets	10 000	-	10 000.00	100 000.00
107. Construction, renovation and improvements	3 554 489	3 280 855.01	273 633.99	3 744 493.92
Total	3 684 489	3 390 855.01	293 633.99	3 928 020.85
Total: Development expenditure	5 931 755	5 557 546.65	374 208.35	5 486 661.27
GRAND TOTAL	1 212 360 956	1 209 893 807.90	2 467 148.10	265 862 227.12

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2011/2012	More/(Less) than estimated	Actual revenue 2010/2011
	N\$	N\$	N\$	N\$
Private telephone calls	1 000	-	(1 000.00)	-
Miscellaneous	100 000	348 154.20	248 154.20	19 675.53
Unclaimed cheques	10 000	-	(10 000.00)	7 535.20
TOTAL	111 000	348 154.20	237 154.20	27 210.73

1.4 NOTES TO THE FINANCIAL STATEMENTS

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

1.4.1.1 Underexpenditure

Main Division 01 Office of the Minister (N\$ 451 124.43 - 9.58%)

The Ministry did not utilize all the funds as budgeted. This was due to the fact that not all staff members travelled, and that led to not all funds utilized as budgeted. Provision was made on leave gratuity for the member who reached retired age. Unfortunately their condition of employment was extended, and resulted in the underexpenditure under DSA, other condition of services and material & office supplies.

Main Division 02 General services (N\$ 739 045.00 or 09%)

The Ministry did not utilize all the funds as budgeted due to the pressure of work within the division, not all staff members participate in the training locally and abroad, which resulted in the under spending of funds as budgeted in respect of daily subsistence & allowance. The main division also had an under spending on property rental and maintenance expenses. This is due to the fact that the Ministry anticipated to rent offices in all thirteen regions, and could not managed to do so during the period under review, due to the scarcity of buildings in the regions, and the Ministry end up being accommodated by other Ministries.

Main Division 04 Project management and liaison (N\$ 499 121.67 - 3.12%)

The underspending was caused by some of the activities that were not fully put in place and that led to the under spending in some of the subdivision within the main division such as: material and supply and office equipment for the operational budget and material and suppliers, construction, renovation & improvement for the Development Budget.

2. GENERAL INFORMATION

2.1 Vehicle Accidents

The Accounting Officer reported thirteen (13) vehicle accidents in respect of authorised use with the value of N\$ 108 955.48.

2.2 Bursary and Study Assistance

The Ministry granted study assistance to fourteen (14) staff members to an amount of N\$ 394 471 in various areas of study during the year under review.

2.3 Capital Projects

The Ministry Operated twelve (12) Capital projects during the financial year as follows

Nature of Project	Approved total Budget	Total expenditure as at 31/03/2011	Approved appropriation 2011/2012	Actual expenditure	Total expenditure at 31/03/2012	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Feasibility studies for veterans	10 311 000	6 877 468.37	110 000	110 000.00	6 987 468.37	31/03/2014
Research on Veterans	6 229 000	3 612 022.87	437 767	437 766.09	4 049 788.96	31/03/2014
Veterans support package	6 173 000	9 463 272.64	121 515	590 434.62	10 053 707.26	31/03/2014
Construction of veterans houses	11 941 000	3 834 686.00	3 023 000	3 023 000.00	6 857 686.00	31/03/2014
Acquisition/construction of offices for M0V HQ and regional offices	5 820 000	1 820 570.23	357 974	357 973.02	2 178 543.25	31/03/2014
Erection and preservation of liberation struggle monument	4 000 000	-	325 132	83 131.26	83 131.26	31/03/2014
Veteran recreational facilities	4 551 000	-	-	-	-	31/03/2016
Agricultural support programme	6 385 000	624 383.36	2 000	2 000.00	626 383.36	31/03/2014
Veteran registration and database	1 750 000	4 373 832.71	811 528	771 248.03	5 145 080.74	31/03/2014
Poultry farming for veterans in Oshana	3 585 000	-	91 335	82 111.64	82 111.64	31/03/2016
Brick making project in Ondangwa	2 750 000	-	-	-	-	31/03/2015
Veteran bakery in Eenhana	1 131 000	-	40 000	-	-	31/03/2016
Total	64 626 000	30 606 236.18	5 931 755	5 557 546.65	36 063 900.84	

WINDHOEK, 17 OCTOBER 2012

WN AMAGULU
ACCOUNTING OFFICER