



**REPUBLIC OF NAMIBIA**



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

**OFFICE OF THE VICE-PRESIDENT:  
VETERANS, MARGINALISED &  
DISABILITY AFFAIRS**

**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 Office of the Vice-President: Veterans, Marginalised & Disability Affairs 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**

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



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## DEFINITIONS

<p><b>Types of Audit Opinions:</b></p>	<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> Auditor's 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 statement 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>
<p><b>Treasury:</b></p>	<p>Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).</p>
<p><b>Vote:</b></p>	<p>Represents an Office/Ministry/Agency.</p>
<p><b>Appropriation Act:</b></p>	<p>Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.</p>
<p><b>Appropriation Account:</b></p>	<p>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.</p>
<p><b>Standard sub-division:</b></p>	<p>Government Balance account, showing balances incurred on each account/activity.</p>
<p><b>Suspension:</b></p>	<p>Reduction on budget (Treasury may from time without or suspend any amount in an estimate of expenditure).</p>
<p><b>Virement:</b></p>	<p>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.</p>
<p><b>Unauthorised Expenditure:</b></p>	<p>Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.</p>
<p><b>Underexpenditure:</b></p>	<p>Saving on the budget.</p>
<p><b>Miscellaneous Revenue:</b></p>	<p>All revenue collected and not having a specified revenue code.</p>
<p><b>Commitments:</b></p>	<p>Funds reserved to acquire goods or services from a supplier.</p>
<p><b>Suspense accounts:</b></p>	<p>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.</p>

<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 specified
<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) performance agreements and personal development plans)
<b>Materiality:</b>	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that effects the decision of the user.
<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) Measurement of (Includes Strategic plans, annual plans, performance agreements and personal development 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. ISSAI: International Standards of Supreme Audit Institutions
<b>ISSAI:</b>	International Standards of Supreme Audit Institutions
<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>Materiality:</b>	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
<b>OMA:</b>	Office/Ministry/Agency



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
OFFICE OF THE VICE-PRESIDENT: VETERANS, MARGINALIZED AND DISABILITY AFFAIRS  
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 Office of the Vice-President: Veterans, Marginalized and Disability Affairs 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 year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements of the Office of the Vice-President: Veterans, Marginalized and Disability Affairs as at 31 March 2019 are prepared, in all material respects, in accordance with Section 12 & 13 of the State Finance Act, 1991 (Act 31 of 1991) and relevant legislation.

**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 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 OTHER MATTERS**

Attention is drawn to the management on the following matters that relates to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Office of the Vice-President: Veterans, Marginalized and Disability Affairs in the financial statements. My opinion is not modified in respect of these matters:

### **1.4.1 Risk Management**

For the second consecutive year there is no approved risk management framework in place; hence no formal or reliable risk assessment process is in place to identify and respond to the risks the Office might be facing.

It is recommended that the Accounting Officer should strengthen the internal controls to mitigate the risk of misstatement in the financial statements due to error or fraud.

#### **Management comment**

In his comments in the previous year and the current year, the Accounting Officer indicated that the Office is in the process of finalising the draft document for implementation.

### **1.4.2 IT Disaster Recovery Plan**

For the second consecutive year, the Accounting Officer has not come up with an approved disaster recovery plan to provide information and guidance in the event of a disaster.

Disaster recovery plan is an integral part of the overall risk management of the Office. Since all of the risks cannot be eliminated, management should implement a disaster recovery plan to prepare for potentially disruptive events. This process is extremely important because it provides detailed strategies on how the Office will continue after severe interruptions and disasters. In the event of a disaster, the continued operations of the Office depend on the ability to replicate its IT systems and data. The disaster recovery plan stipulates how the Office will prepare for a disaster, what the Office's response will be, and what steps it will take to ensure that operations can be restored.

It is recommended that the Accounting Officer should develop and implement a disaster recovery plan.

#### **Management comment**

In his comment in the previous year and the current year, the Accounting Officer indicated that the recommendation is noted and the Office will embark on ways to develop a disaster recovery plan by liaising with other stakeholders.

## **1.5 RECURRING MATTERS**

### **1.5.1 Unauthorized expenditure**

It has been noted with great concern that unauthorized expenditure has been recurring in the Office for three (3) consecutive years. This is despite the fact that the Accounting Officer indicated that the Office has been monitoring its financial position.

## **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. Based on the work I have performed, I have nothing to report in this regard.

## **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 Office of the Vice-President: Veterans, Marginalized and Disability Affairs 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 Office of the Vice-President: Veterans, Marginalized and Disability Affairs used the appropriated funds in compliance with the Appropriation Act, 2018 (Act 4 of 2018); Appropriation Amended Act, 2018 (Act 15 of 2018); the 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 Office of the Vice-President: Veterans, Marginalized and Disability Affairs 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 entity 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 recommendation are taken into account.

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, 2018 (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 presented by the Office of the Vice-President: Veterans, Marginalized and Disability Affairs for the financial year ended 31 March 2019 in order to determine whether these statements were prepared in accordance with the Appropriation Act, 2018 (Act 4 of 2018); Appropriation Amendment Act, 2018 (Act 15 of 2018); the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations.

## **2.6 KEY AUDIT FINDINGS**

### **2.6.1 Unauthorised expenditure**

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

- (i) One (1) main division was exceeded with N\$ 36 892.34 which is unauthorized in terms of Section 6(a)(ii) of the Act.
- (ii) Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, four (4) operational subdivisions were exceeded with a total amount of N\$ 38 078.94 which is unauthorised in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer should implement budgetary control measures to avoid non-compliance to Section 6(a) of the State Finance Act, 1991.

### **Management comment**

In his comment on the draft report, the Accounting Officer indicated that the Office will monitor the commitments and posting of transactions to the general ledger regularly especially personnel and travelling expenditure to avoid unauthorized expenditure.

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

In my opinion, the Office of the Vice-President: Veterans, Marginalized and Disability Affairs' financial performance and use of appropriated funds is in compliance, in all material respects, with the State Finance Act, 1991(Act of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations and Appropriation Act, 2018 (Act 1 of 2018) and Appropriation Amendment Act, Act 15 of 2018.

## **2.8 AUDIT OF PERFORMANCE INFORMATION**

I have audited the performance information of the Office of the Vice-President: Veterans, Marginalized and Disability Affairs for the financial year ended 31 March 2019.

### **2.8.1 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 Office of the Vice-President: Veterans, Marginalized and Disability Affairs 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.

### **2.8.2 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

### 2.8.3 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.

### 2.8.4 Summary of methods applied

The auditor reviewed the NDP 5, Harambee Prosperity Plan, MTEF and Strategic Plan of the Office 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.

### 2.8.5 Key audit findings

INDICATOR/FINDING	RECOMMENDATION
<b>General finding</b>	
The auditee did not provide the Annual Plan Review Report as per the letter dated 15 November 2019 for audit purposes.	The Accounting Officer should provide the Annual Plan Review Report for audit purposes.

#### Management comment

The Accounting Officer indicated that the Office will compile and submit the report at the end of the 2019/2020 financial year.



### **2.8.6 Conclusion on the subject matter**

The audit revealed a satisfactory outcome on the measurability sub-criteria as all performance indicators were quantifiable and thus the Office is commented on it. Presentation, consistency, accuracy, validity and completeness of performance information is not met which concluded that reported information is not reliable and might not be useful to the public and stakeholders.

### **3. 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 and 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.

The management is also responsible for ensuring adherence to the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Appropriation Act, 2018 (Act 4 of 2018), Appropriation Amendment Act, 2018 (Act 15 of 2018) and Treasury Instructions to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

Those charged with governance are responsible of overseeing the entity's financial reporting process.

### **4. 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 uses 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 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.

## **5. GENERAL INFORMATION**

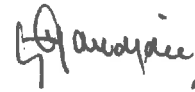
The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure (A).

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 31 October 2019 in terms of Section 12 and 13 of the State Finance Act, 1991.

## 6. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Office of the Vice-President: Veterans, Marginalized and Disability Affairs 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	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	1 348 000					
Plus: Virement	57 653					
Less: Suspension	(104 000)	1 301 653	1 338 545.34	(36 892.34)	(2.83)	
					1 193 050.60	
<b>02. General Services:</b>						
Original budget	30 691 000					
Plus: Virement	3 214 740					
Less: Suspension	(86 000)	33 819 740	33 613 434.49	206 305.51	0.61	
					49 412 123.98	
<b>03. Policy, Heritage and Social Affairs:</b>						
Original budget	551 815 000					
Plus: Additional budget	100 000 000					
Less: Virement	(1 134 462)					
Less: Suspension	(10 000)	650 670 538	650 485 927.98	184 610.02	0.03	
					837 811 327.47	
<b>04. War Veterans Affairs/Development and Project Planning:</b>						
Original budget	24 772 000					
Less: Virement	(2 137 931)	22 634 069	22 160 140.64	473 928.36	2.09	
					29 237 125.78	
<b>Total</b>	<b>708 426 000</b>	<b>707 598 048.45</b>	<b>827 951.55</b>	<b>0.12</b>	<b>917 653 627.83</b>	

## ANNEXURE A (continued)

## 1.2 Standard subdivisions

Subdivision	2018/2019			2017/2018
	Authorised expenditure N\$	Actual expenditure N\$	Under-expenditure/ (Excess) N\$	Actual expenditure N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	37 034 613	36 760 025.33	274 587.67	37 124 697.27
002. Employer's Contribution to the G.I.P.F and M.P.O.O.B.P.F.	4 630 500	4 549 322.67	81 177.33	4 570 059.48
003. Other conditions of service	2 178 758	2 178 757.17	0.83	2 278 140.22
005. Employer's contribution to the social security	120 105	119 166.74	938.26	98 199.63
<b>Total</b>	<b>43 963 976</b>	<b>43 607 271.91</b>	<b>356 704.09</b>	<b>44 071 096.60</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence allowance	873 630	880 720.21	(7 090.21)	1 909 215.19
022. Materials and supplies	567 000	525 567.64	41 432.36	1 213 857.49
023. Transport	7 269 535	7 268 627.72	907.28	11 700 252.10
024. Utilities	5 335 000	5 264 758.37	70 241.63	5 198 946.17
025. Maintenance expenses	460 000	440 976.25	19 023.75	609 536.18
026. Property rental & related charges	709 000	706 823.93	2 176.07	10 029 158.02
027. Other services and expenses	-	-	-	5 466 582.54
028. Training course, symposiums & workshops	189 133	176 607.15	12 525.85	-
029. Printing & advertisements	58 384	58 383.49	0.51	-
031. Entertainment politicians	40 000	39 764.64	235.36	-
033. Office refreshment	114 000	113 943.38	56.62	-
040. Security contracts	4 118 342	4 118 193.53	148.47	-
<b>Total</b>	<b>19 734 024</b>	<b>19 594 366.31</b>	<b>139 657.69</b>	<b>36 127 547.69</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
043. Government organisations	-	-	-	825 717 000.00
047. Subsidies to the other extra budgetary Bodies	638 530 000	638 530 000.00	-	-
<b>Total</b>	<b>638 530 000</b>	<b>638 530 000.00</b>	<b>-</b>	<b>825 717 000.00</b>
<b>Total: Current expenditure</b>	<b>702 228 000</b>	<b>701 731 638.22</b>	<b>496 361.78</b>	<b>905 915 644.29</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	198 000	197 719.49	280.51	1 333 065.40
<b>Total: Capital expenditure</b>	<b>198 000</b>	<b>197 719.49</b>	<b>280.51</b>	<b>1 333 065.40</b>
<b>Total: Operational expenditure</b>	<b>702 426 000</b>	<b>701 929 357.71</b>	<b>496 642.29</b>	<b>907 248 709.69</b>

## ANNEXURE A (continued)

Subdivision	2018/2019			2017/2018
	Authorised expenditure N\$	Actual expenditure N\$	Under-expenditure/ (Excess) N\$	Actual expenditure N\$
<b>Development:</b>				
<b>Capital expenditure: Acquisition of assets</b>				
107. Construction, renovation and improvements	6 000 000	5 668 690.74	331 309.26	10 404 918.14
<b>Total</b>	<b>6 000 000</b>	<b>5 668 690.74</b>	<b>331 309.26</b>	<b>10 404 918.14</b>
<b>Total: Development expenditure</b>	<b>6 000 000</b>	<b>5 668 690.74</b>	<b>331 309.26</b>	<b>10 404 918.14</b>
<b>GRAND TOTAL</b>	<b>708 426 000</b>	<b>707 598 048.45</b>	<b>827 951.55</b>	<b>917 653 627.83</b>

## 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate N\$	Actual revenue 2018/2019 N\$	More/(Less) than estimated N\$	Actual revenue 2017/2018 N\$
Unclaimed cheques	-	-	-	13 457.61
Miscellaneous	10 000	46 437.34	36 437.34	96 279.59
Parking fees	2 640	-	(2 640.00)	-
Sale of bid documents	1 750	47 500.00	45 750.00	14 100.00
<b>Total</b>	<b>14 390</b>	<b>93 937.34</b>	<b>79 547.34</b>	<b>123 837.20</b>

## 1.4.1 Notes to the financial statements

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

## (i) Over-expenditure

**Main division 01: Office of the Minister: (N\$ 36 892.34-2.83%)**

The variance is attributed to an amount of N\$ 21 582.11 which is an overtime expenditure for a staff member on remuneration under Division Marginalized Affairs which was processed by the Office of the President (Vote 01) for 29 March 2019. However, due to the transfer of the staff members of Marginalised Affairs from Vote 01 to Vote 31, with effect from 01 April 2019 which was done on the Payroll module in March 2019, the pending overtime expenditure was also transferred to Veteran Affairs.

During the reconciliation of the 2018/2019 financial year, Veteran Affairs observed the expenditure which was wrongly charged to Veteran Affairs instead of Office of the President. Veteran Affairs requested Office of the President to reimburse through Debit Acceptance mentioned amount, however this request was not granted by Vote 01.

Provision was made under for travel and subsistence allowance with an amount of N\$ 400 000.00 which was revised during the year to an amount of N\$ 330 000.00 of which the main division utilised N\$ 345 359.26 which resulted in a variance of N\$ 15 395.26 (4.65%) as at 31 March 2019.

This overspending is further attributed to an amount of N\$14 285.00 under this main division, as outstanding commitments accumulated from April 2018 which were not cleared during the year under review. The issue of negative outstanding commitments has been escalated to DSA help desk at the Ministry of Finance for possible solution on how to clear the negatives as the Office is unable to understand why DSA transactions went through if there were no funds available as usually advance/claims processed cannot be paid when there are insufficient funds.

## **(ii) Underexpenditure**

### **Main division 04: Planning and Development: (N\$ 473 928.36-2.09%)**

The revised budget of N\$ 1 968 276 with an expenditure of N\$ 1 636 966.74 resulted in a variance of N\$ 331 309.26 which was earmarked for procuring the installation of kitchenettes, doors and windows to the existing chalet at Etaka Recreational Facilities, however due to the cumbersome procurement process which requires technical expertise from the Ministry of Works and Transport, this could not be done during the year under review as the Office had to cancel the bidding process.

## **2. GENERAL INFORMATION**

### **2.1 Fund account**

The Accounting Officer reported that the Veterans Fund Account had a closing balance of N\$ 27 510 869.98 at 31 March 2019.

### **2.2 Outstanding commitments**

The Accounting Officer reported outstanding commitments amounting to N\$ 33 003.24 for the year under review.



### 2.3 Commissions and Special Committees

The Accounting Officer reported that the following expenditure was incurred on two (2) Committees:

Name of Committee	Total expenditure
High Level Steering Committee	N\$ 1 512 458.24
Committee members compilation of names Freedom fighters who died in exile under the care of SWAPO	2 126 198.39
<b>Total</b>	<b>3 638 656.63</b>

### 2.4 Capital projects

The Accounting Officer reported the following development projects of the Office:

Nature of project	Approved total budget	Total expenditure as at 31/03/2018	Approved appropriation 2018/2019	Actual expenditure 2018/2019	Total expenditure at 31/03/2019	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Erection and Preservation of Liberation Struggle Monuments	48 693 000	1 940 255.68	-	-	1 940 255.68	31/03/2021
Acquisition/Construction of Offices for MoVA HQ and Regional Offices	71 445 000	20 027 679.47	4 031 724.00	4 031 724.00	24 059 403.47	31/03/2021
Construction of Veterans Recreational Facilities at Onesi	369 730 000	11 868 819.83	1 968 276.00	1 636 966.74	13 505 786.57	31/03/2021
<b>Total</b>	<b>489 868 000</b>	<b>33 836 754.98</b>	<b>6 000 000.00</b>	<b>5 668 690.74</b>	<b>39 505 445.72</b>	

### 2.5 Vehicles

#### 2.5.1 Vehicle accidents

The Accounting Officer reported four (4) motor vehicle accidents during the financial year under review. Two (2) vehicles were repaired during the year, while two (2) vehicles were still to be repaired as at 31 March 2019, with repair cost not yet determined.

## 2.5.2 Vehicles on hand (Government Garage)

The Accounting Officer reported the following vehicles on hand as at 31 March 2019:

Own fleet	Vehicle type					Value
	Sedans	Pick-ups and Combies	Heavy vehicles	Motor bikes	Other	
Balance as at 01/04/2018	9	24	2	-	1	N\$ 517 752.91
Receipt	-	-	-	-	-	
Returned	-	-	-	-	-	
<b>Balance as at 31/03/2019</b>	<b>9</b>	<b>24</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>517 752.91</b>

## 2.6 Bursary and study assistance

The Accounting Officer reported that study assistance was provided to nine (9) staff members amounting to N\$ 148 092.15 during the financial year under review.

## 2.7 Outstanding subsistence advances

The Accounting Officer reported that outstanding balances on subsistence advances amounted to N\$ 1 003.00 at 31 March 2019.

## 2.8 Suspense accounts

The Office had the following outstanding balances on six (6) suspense accounts at 31 March 2019 of which five (5) had credit balances and one (1) debit balance.

Description	Balance as at 31 March 2019
	N\$
Receipt suspense	(300.00)
S&T advance suspense account	(202 868.00)
Rejection account	20 045.12
Bills payable	(306 753.84)
Electronic Fund Transfer Clearing Account (EFT)	(649.50)
Pension funds: GIPF	(777.45)

## 2.9 Internal inspections

The Accounting Officer reported that the Office has five (5) inspection points and that only three (3) points were inspected.