



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

DEPARTMENT OF TRANSPORT OF THE MINISTRY OF WORKS AND TRANSPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Published by authority

Price (Vat excluded) N\$ 58.00

Report no: 27/2022

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 Department of Transport of the Ministry of Works and Transport for the financial year ended 31 March 2021 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 2022

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

Table of Contents

1.	SECTION A: FINANCIAL AUDIT	1
1.1	UNQUALIFIED AUDIT OPINION	1
1.2	BASIS FOR UNQUALIFIED AUDIT OPINION	1
1.3	KEY AUDIT MATTERS	1
1.4	EMPHASIS OF MATTERS	1
1.4.1	Commissions and special committees	2
1.4.2	Subsistence advances.....	2
1.4.4	Bursary/study assistance.....	3
1.4.5	Suspense accounts.....	3
1.5	OTHER INFORMATION.....	4
2.1	COMPLIANCE TO LAWS AND REGULATIONS	5
2.2	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE.....	5
2.3	AUDIT OBJECTIVE	5
2.4	AUDIT CRITERIA.....	5
2.5	SUMMARY OF METHODS APPLIED	6
2.6	BASIS FOR QUALIFIED AUDIT OPINION.....	6
2.6.1	UNAUTHORISED EXPENDITURE	6
2.6.2	Outstanding subsistence advances.....	6
2.6.3	Vehicle accidents – cost of damages	7
2.6.4	Losses and damages through unavoidable cause.....	7
2.7	QUALIFIED OPINION ON THE SUBJECT MATTER	7
3.	AUDIT OF PERFORMANCE INFORMATION	8
3.1	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE	8
3.2	AUDIT OBJECTIVE.....	8
3.3	AUDIT CRITERIA	8
3.5	Key audit findings	9
3.6	CONCLUSION	11
4.	RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS.....	11
5.	AUDITORS RESPONSIBILITY, POWERS AND DUTIES.....	11
6.	GENERAL INFORMATION	13
7.	ACKNOWLEDGEMENT	13
1.	AUDITED FINANCIAL STATEMENTS	14
1.1.	APPROPRIATION ACCOUNT	14
1.2	STANDARD SUBDIVISIONS	15
1.3	DEPARTMENTAL REVENUE	16
2.	GENERAL INFORMATION	19
2.1	Miscellaneous revenue	19
2.2	Revenue outstanding	19
2.3	Bank accounts	20
2.4	Operating/Trade Account – Government Air Transport Services.....	20
2.5	Operating/Trade account – Government Garage.....	20
2.6	Compensation payments	21

2.7	Commissions and special committees	21
2.8	Outstanding commitments	21
2.9	Outstanding subsistence advances.....	21
2.10	Bursaries and study assistance	21
2.11	Aircrafts.....	22
2.12	Movable property transferred.....	22
2.13	Debt to Government	22
2.14	Annual stock-taking.....	22
2.15	Stores and depots.....	23
2.16	Internal inspections.....	23
2.17	Vehicles on hand (Own fleet and pool vehicles).....	23
2.18	Government pool vehicles (Government garage).....	24
2.19	Losses and damages through unavoidable causes	24
2.20	Suspense accounts	24
2.21	Capital projects.....	25

DEFINITIONS:

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	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.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
Virement:	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.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Under expenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Commitments:	Funds reserved to acquire goods or services from a supplier.
Suspense accounts:	Is an account opened in the books of Government that records movement of transactions of a temporary nature, for example salary deductions of housing instalments.
S&T Advance Suspense Account:	A suspense account reflecting the outstanding subsistence and travel advances.
Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe money to the State.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time.
Subsistence Advance:	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on official assignment.

Performance Information:	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).
Key performance indicator (KPI):	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.
International Standards of Supreme Audit Institutions (ISSAI):	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
Types of Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. 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>Disclaimer Opinion. 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>Adverse Opinion. The Financial statements of an O/M/A 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>
Reasonable Assurance:	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.
Limited Assurance:	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.
Direct reporting engagement:	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.
Attestation engagement:	It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.
Subject matter:	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
OMA:	Office/Ministry/Agency
IFMS:	Integrated Financial Management System

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
DEPARTMENT OF TRANSPORT OF THE MINISTRY OF WORKS AND TRANSPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I have audited the financial statements of the Department of Transport of the Ministry of Works and Transport for the year ended 31 March 2021, 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 notes to the financial statements, statements and general information for the financial year then ended 31 March 2021.

In my opinion, the financial statements of the Department of Transport of the Ministry of Works and Transport as at 31 March 2021 are prepared, in all material respects, in accordance with Section 12 and 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 EMPHASIS OF MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, as disclosed by the Department of Transport of the Ministry of Works and Transport in the financial statements. My opinion is not modified in respect of these matters:

1.4.1 Commissions and special committees

The audit found that the Accounting Officer paid remuneration to four (4) members of the Transport Commission Board amounting to N\$ 34 776.00 after their term of appointment. The members were appointed for a period of three (3) years from 01 June 2017 to 31 May 2020, however, these members continued to be remunerated until March 2021.

It is recommended that the Accounting Officer should ensure that members of the Transportation Commission board are not paid beyond the expiry of their term of office.

Management comment

The Accounting Officer indicated that the Department confirms the correctness of this finding.

1.4.2 Subsistence advances

Differences were noted in the balance of outstanding subsistence advances as follows:

Balance as per Debit Balance List	S&T advance suspense account	Balance reported by Accounting Officer
N\$ 758 257.29	N\$ 971 341.21	N\$ 242 164.29

The Accounting Officer reported the outstanding subsistence advances for eleven (11) staff members while the Debit balance list reflected outstanding advances for seventy-nine (79) staff members. Furthermore, the Accounting Officer did not provide the supporting documents to enable the verification of the recovered amounts.

It is recommended that the Accounting Officer should ensure that regular reconciliations are conducted to avoid the differences. Furthermore, the Accounting Officer should keep supporting documents to enable the verification of the recovered amounts.

Management comment

The Accounting Officer confirmed the correctness of this audit finding and indicated that the appropriate actions are being taken.

1.4.3

- i) The audit found that the approved appropriation for the following capital projects in the General ledger are negative:

Nature of project	Main division	Subdivision	Amount
Northern railway extension	06	117	N\$ (14 300 000)
Upgrade and construction of Aus-Ludritz railway line	06	117	(5 500 000)

The Accounting Officer should explain why the approved appropriated amounts are negative.

ii) The audit found that the actual expenditure for thirteen (13) capital projects exceeded the approved appropriated amount for the year under review with an amount of N\$ 67 986 656.21 as indicated below:

No	Nature of project	2020/2021		
		Approved appropriation	Actual expenditure	Over expenditure
1.	Maintenance of roads: Paved and none paved roads	858 540	20 430 082.15	19 571 542.15
2.	Northern railway extension	(14 136 163)	163 836.61	14 299 999.61
3.	Railway networking upgrading	189 402 149	190 301 265.07	899 116.07
4.	Upgrade and construction of Aus-Luderitz railway line	68 870 240	74 370 239.08	5 499 999.08
5.	Upgrading of vehicle and driver testing stations	1 620 600	1 749 613.89	129 013.89
6.	Swakopmund - Henties Bay - Kamanjab link (412 km)	132 374 252	136 079 266.71	3 705 014.71
7.	Upgrading of MR91 Gobabis-Aminius & Mr 40 Aminius-Aranos	110 113 202	112 997 794.94	2 884 592.94
8.	Fencing of state owned aerodromes	1 200 000	1 446 401.95	246 401.95
9.	Tr 1/16: Windhoek - Okahandja road rehabilitation phase 1 (67km)	331 431 507	331 777 320.15	345 813.15
10.	Completion of Mr 120: Okatana - Endola - Onunho road: (36km)	2 000 000	14 041 308.01	12 041 308.01
11.	Empic - Regulatory management tools	5 000 000	5 562 000.00	562 000.00
12.	Labour-based construction (DR3610:Tr1/11) Mangeti west quarantine camp	22 787 626	23 900 811.64	1 113 185.64
13.	Rehabilitation of Eros airport runway, taxiway & apron extension	24 900 000	31 588 669.01	6 688 669.01
Total		876 421 953	944 408 609.21	67 986 656.21

Management comment

The Accounting Officer indicated that the Department confirms the correctness of the findings. The excess expenditure is mainly due to the internal virements of funds. The Department is busy consulting the Ministry of Finance to find out the cause of this issue and how it can be resolved.

1.4.4 Bursary/study assistance

The Accounting Officer did not provide the signed contracts between the three (3) recipients of study assistance and the Department of Transport, therefore, the audit could not determine whether the conditions in the contract are in line with the Public Service Staff Rules on training and development and other relevant policies.

It is recommended that the Accounting Officer should ensure that the contracts are all signed and provided for audit purposes.

1.4.5 Suspense accounts

a) Bills payable

The Bills payable suspense account has a debit balance of N\$ 885 759.78 as at 31 March 2021 instead of a credit balance.

It is recommended that the Accounting Officer should ensure that reconciliations are done on a regular basis to avoid such outstanding debit balance.

b) Receipt suspense account

The Receipt suspense account had unallocated revenue due to a credit balance of N\$ 1 240 385.72, resulting in revenue being understated in the General Ledger.

It is recommended that the Accounting Officer should ensure that regular reconciliations are done to avoid that suspense account is not cleared.

c) Increase in balances

The following suspense accounts for the past three (3) years reflected an increase in the closing balances as follows:

Suspense account	Financial years		
	2018/2019	2019/2020	2020/2021
	N\$	N\$	N\$
S&T advance suspense account	467 614.49	622 620.91	971 341.21
Government garage vehicle replacement	(12 066 427.27)	(13 149 867.02)	(20 575 085.67)
Receipt suspense	62 044.13	(727 428.23)	(1 240 385.72)
Bills payable	340 471.73	681 597.46	885 759.78

The Accounting Officer should ensure that regular reconciliation is conducted in order to be able to avoid that these balances are increasing.

Management comment

The Accounting Officer confirms the correctness of the findings. Audit recommendation is noted and appropriate actions are being taken.

1.5 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 Department of Transport in the Ministry of Works and Transport for the financial year ended 31 March 2022.

2.2 Description of the subject matter information and audit scope

The audit aimed to determine whether the Department of Transport in the Ministry of Works and Transport used the appropriated funds in compliance with the Appropriation Act, 2020 (Act 4 of 2020) Appropriation Amendment Act, 2020 (Act 8 of 2020), 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 2021.

2.3 Audit objective

The objective of this compliance audit is to verify and assess whether the Department of Transport in the Ministry of Works and Transport 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 Department 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, 2020 (Act 4 of 2020);
- Appropriation Amendment Act, 2020 (Act 8 of 2020);
- 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 2021 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 Unauthorised expenditure

The following unauthorized 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 a total amount of N\$ 10 144 009.25. This excess amount is unauthorised in terms of Section 6 (a) (ii) of the Act; and
- (ii) Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, seventeen (17) sub-divisions were exceeded with a total amount of N\$ 86 427 966.56 which is unauthorised in terms of section 6 (a) (iii) of the Act.

It is recommended that the Accounting Officer should closely monitor and review the financial position of the Department on a continuous basis and take appropriate action timeously to avoid unauthorised expenditure in future.

Management comment

The Accounting Officer confirms the correctness of the finding and also indicated that appropriate actions are being taken.

2.6.2 Outstanding subsistence advances

Treasury Instructions HB 0505 states that *"A claim for subsistence and other anticipated expenditure shall be submitted within 30 days after a person return to his headquarters and monthly by a person who is elsewhere for a longer period". Advances which are not standing advances shall be set off against claims for subsistence and other expenditure, and should claim be less than the advance, the difference shall be repaid immediately by the relevant person"*.

The audit found that, according to the statement of accounts and detailed transaction history for the staff members on the debit balance list, seven (7) claims were submitted after 30 days of return to the duty station.

It is recommended that the Accounting Officer should ensure that claims are submitted within the period prescribed by Treasury Instruction HB 0505.

Management comment

The Accounting Officer confirms the correctness of the finding and also indicated that appropriate actions are being taken.

2.6.3 Vehicle accidents – cost of damages

Section 12 (2) (d) of the State Finance Act, 1991(Act 31 of 1991) states that *“the Accounting Officer shall transmit the statements and accounts referred to in subsection (1) to the Auditor-General for investigation, examination and auditing”*.

The Accounting Officer did not submit a statement for damages and cost of damages on vehicles which are under the control of the Department during the year under review.

It is recommended that the Accounting Officer should ensure that all statements are submitted for audit purposes.

Management comment

The Accounting Officer indicated that the Department confirms the correctness of the finding.

2.6.4 Losses and damages through unavoidable cause

Treasury Instruction BB 0101(i) states that the *“Accounting Officer shall be responsible for the accuracy of the accounting records, accounts and other financial documents under his control”*.

The audit found that the statement of losses and damages submitted by the Accounting Officer does not include all the incidences of losses and/or damages. Damages to a Toyota and two (2) stolen cellphones were not reported for audit purposes. The audit further found that the Accounting Officer did not provide evidence for the lost cellphone reported.

It is recommended that the Accounting Officer report all the losses and damages and provide an updated statement. It is further recommended that the Accounting Officer should provide evidence of the loss reported.

Management comment

The Accounting Officer confirms the correctness of the finding.

2.7 QUALIFIED OPINION ON THE SUBJECT MATTER

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the Department of Transport in the Ministry of Works and Transport’s financial performance and the 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), Appropriation Act, 2020 (Act 4 of 2020), Appropriation Amendment Act, 2020 (Act 8 of 2020), Treasury Instructions, and Public Procurement Regulations.

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Department of Transport in the Ministry of Works and Transport for the financial year ended 31 March 2021.

3.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

A Performance Management System (PMS) is 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 Department of Transport in the Ministry of Works and Transport 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. The following six (6) key performance indicators were selected from the 2020/2021 Annual plan:

- i. Percentage (%) of completion rate: Phase 1 of Eros runway rehabilitated;
- ii. Percentage (%) of completion rate: Mpacha airport taxiway and runway rehabilitated;
- iii. Kilometres of railway rehabilitated and maintained: Rehabilitated and upgraded Kranzberg – Tsumeb section;
- iv. Kilometres of railway fully upgraded: Rehabilitated and upgraded Kranzberg – Tsumeb section;
- v. Percentage (%) of completion rate: Windhoek - Okahandja road constructed, maintained and upgraded and
- vi. Percentage (%) of completion rate: Windhoek - Hosea Kutako International Airport road constructed (Phase 2A).

3.2 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.

Additional objective of this audit is also to provide reasonable assurance to Parliament, members of the general public and other relevant stakeholders whether the reported actual performance has actually occurred and are based on the selected criteria.

3.3 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.

3.4 SUMMARY OF METHODS APPLIED

The auditor reviewed the annual plan and the directorate quarterly reviews to confirm whether the Strategic Plan objectives, targets and key performance indicators (KPIs) have been correctly cascaded to the Annual Plan and the selected key performance indicators (KPIs) for the year under review are reported in the Directorate/Divisions quarterly reports and Annual Plan Review Report.

Furthermore, the auditor conducted interviews and reviewed documents to obtain information that pertains to the selected key performance indicators (KPIs).

3.5 Key audit findings

The audit found that:

- i) The Accounting Officer did not provide the Directorate quarterly reviews and Annual plan review report for . The Accounting Officer only provided her own quarterly performance reviews for the performance information audit. Furthermore, the Accounting Officer submitted, for the second year in a row, an annual plan and quarterly reviews that are not signed/approved contrary to the directive by the Secretary to Cabinet, which requires all performance information to be signed by the Accounting Officers.

It is recommended that the Accounting Officer should ensure that the Department of Transport prepares and maintains all the required performance information documents and the performance information documents are signed/approved.

- ii) The targeted Key Performance Indicator (KPI) of ninety five percent (95%) of completion rate of Phase 1 of Eros runway rehabilitated was achieved, however, the Department overspent the budget allocated for this project with an amount of N\$ 6 688 669.01.

It is recommended that the Accounting Officer should put measures in place to ensure that projects are completed within the allocated budget.

- iii) The targeted Key Performance Indicator (KPI) of seventy three percent (73%) of completion rate of Mpacha airport taxiway and runway rehabilitated could not be audited as no actual percentage was reported in the quarterly review reports, although Department of Transport has incurred an amount of N\$ 4 015 689.94 on this project.

It is recommended that the Accounting Officer should ensure that all the actual output are reported in the quarterly review reports.

- iv) The targeted Key Performance Indicator (KPI) of two hundred and one kilometers (201 km) of Rehabilitated and maintained Kranzberg – Tsumeb section has not been achieved (only thirty-five kilometers (35 km) were rehabilitated and twenty-eight kilometers (28 km) maintained) whereas the audit found that the project was not budgeted for and no actual expenditure incurred.

It is recommended that the Accounting Officer should explain how the reported results were achieved without any expenditure being reported to be incurred.

- v) The targeted Key Performance Indicator (KPI) of fully upgrading nine kilometers (9 km) of the Kranzberg – Tsumeb railway section has not been achieved as no work was conducted on this project since no funding was provided for this project.

It is recommended that the Accounting Officer should explain why the Department of Transport planned an output for the project for which there was no budgetary provision for it.

- vi) The targeted Key Performance Indicator (KPI) of twenty-four percent (24%) of completion rate Windhoek - Okahandja road constructed, maintained and upgraded has been achieved however, the Department overspent the budget allocated to this project with an amount of N\$ 345 813.15.

It is recommended that the Accounting Officer should put measures in place to avoid exceeding the budget while achieving the planned targets.

- vii) The targeted Key Performance Indicator (KPI) of twenty three percent (23%) of completion rate of Windhoek - Hosea Kutako International Airport road constructed (Phase 2A) has not been achieved only fifteen percent (15%) was achieved, while actual expenditure of N\$ 261 447 695.95 was incurred from the budgeted amount of N\$ 282 794 566.00 on the project leaving an underexpenditure of N\$ 21 346 870.05. Furthermore, the audit found that the project is not captured in the annual plan, it is only disclosed in the quarterly performance review reports.

It is recommended that the Accounting Officer should put measures in place to ensure that results achieved closely represent the budget spent and the Accounting Officer should explain why the KPI that does not feature in the annual plan, is being reported in the review report.

3.6 CONCLUSION

The outcome of the audit is satisfactory, except for the outputs planned targets which were not achieved or not fully achieved, overspending and underspending on some of the planned targets, as the Department has implemented all planned projects as per the annual plan to ensure the services delivery as enshrined in the mandate of the Department.

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

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), Treasury Instructions, Appropriation Act, 2020 (Act 4 of 2020), Appropriation Amendment Act, 2020 (Act 8 of 2020) 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. AUDITORS RESPONSIBILITY, POWERS AND DUTIES

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 and 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 subject matter 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 skepticism 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 auditor's 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 auditor's 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/conclude on whether the financial performance and the use of appropriated fund is, in all material respect is in compliance with the Treasury Instructions, State Finance Act, 1991 (Act 31 of 1991), Appropriation Act, 2020 (Act 4 of 2020), Appropriation Amendment Act, 2020 (Act 8 of 2020), Public Procurement Act, Act 15 of 2015, Public Procurement Regulation and Circular D12/2018 of the Auditor-General. 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.

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.

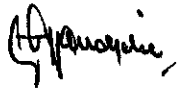
6. GENERAL INFORMATION

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A. The accounts were submitted by the Accounting Officer to the Auditor-General 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 Department of Transport in the Ministry of Works and Transport during the audit is appreciated.

WINDHOEK, MARCH 2022


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1. Appropriation account

Service	N\$	2020/2021				2019/2020
		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
01. Government garage:						
Original budget	92 909 000					
Less: Virement	(4 719 000)					
Less: Suspension	(10 930 000)	77 260 000	72 513 534.50	4 746 465.50	6.14	79 881 301.99
02. Transportation infrastructure:						
Original budget	1 072 778 000					
Plus: Virement	188 168 404					
Less: Suspension	(200 418)	1 260 745 986	1 270 889 995.25	(10 144 009.25)	(0.80)	2 148 355 784.73
03. Railway infrastructure management:						
Original budget	801 769 000					
Less: Virement	(181 099 651)					
Less: Suspension	(560 000)	620 109 349	615 088 413.29	5 020 935.71	0.81	490 967 276.40
04. Transportation policy and regulation:						
Original budget	48 459 000					
Plus: Virement	15 185 791					
Less: Suspension	(550 000)	63 094 791	59 850 961.66	3 243 829.34	5.14	31 626 146.29
05. Civil aviation air navigation services:						
Original budget	209 772 000					
Less: Virement	(8 225 000)					
Less: Suspension	(23 877 000)	177 670 000	158 265 014.62	19 404 985.38	10.92	226 170 205.02
06. Maritime affairs:						
Original budget	32 505 000					
Less: Virement	(5 259 927)					
Less: Suspension	(1 146 000)	26 099 073	24 459 260.22	1 639 812.78	6.28	19 285 978.95
07. Meteorological services:						
Original budget	27 974 000					
Plus: Virement	1 404 000					
Less: Suspension	(3 950 000)	25 428 000	20 104 374.92	5 323 625.08	20.94	31 113 032.15
08. Government air transport services:						
Original budget	110 817 000					
Less: Virement	(5 115 819)					
Less: Suspension	(43 666 582)	62 034 599	58 976 233.46	3 058 365.54	4.93	73 370 517.52
09. Aircrafts accident investigation:						
Original budget	6 691 000					
Less: Virement	(338 798)	6 352 202	5 346 262.29	1 005 939.71	15.84	7 576 676.68
Total		2 318 794 000	2 285 494 050.21	33 299 949.79	1.44	3 108 346 919.73

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2020/2021			2019/2020
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	132 544 288	123 038 573.98	9 505 714.02	147 525 076.07
002. Employer's contribution to the G.I.P.F and M.P.O.O.B.P.F	15 092 000	14 087 148.60	1 004 851.40	15 926 988.26
003. Other conditions of service	5 286 256	3 723 496.97	1 562 759.03	17 627 286.85
005. Employer's contribution to the social security	499 931	455 776.79	44 154.21	508 782.24
Total	153 422 475	141 304 996.34	12 117 478.66	181 588 133.42
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	5 719 394	4 809 111.96	910 282.04	10 603 353.49
022. Materials and supplies	2 308 425	1 974 360.95	334 064.05	2 274 760.37
023. Transport	5 714 000	5 714 000.00	-	10 902 817.35
024. Utilities	29 445 693	27 799 877.22	1 645 815.78	13 176 511.11
025. Maintenance expenses	32 234 140	31 687 760.63	546 379.37	41 769 633.81
026. Property rental and related charges	33 000	12 820.00	20 180.00	19 423.00
027. Other services and expenses	89 247 514	88 375 363.91	872 150.09	26 182 409.83
028. Training course, symposium and workshops	-	-	-	7 817 544.81
029. Printing and advertisements	-	-	-	613 387.71
033. Transport	20 000	16 921.81	3 078.19	21 153.34
040. Security contracts	-	-	-	197 239.95
Total	164 722 166	160 390 216.48	4 331 949.52	113 578 234.77
Current expenditure: Membership fees and subscriptions				
041. International	230 359	242 217.64	(11 858.64)	652 017.29
Total	230 359	242 217.64	(11 858.64)	652 017.29
Current expenditure: Subsidies and other transfers				
045. Public and departmental enterprises and private industries	21 648 000	21 043 704.20	604 296.80	-
053. Subsidies for state owned enterprises	-	-	-	698 059 115.99
Total	21 648 000	21 043 704.20	604 296.80	698 711 133.28
Total	340 023 000	322 981 134.46	17 041 865.54	993 877 501.47
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	50 000	48 716.93	1 283.07	-
103. Operational equipment, machinery and plants	1 175 000	704 228.32	470 771.68	974 274.50
Total	1 225 000	752 945.25	472 054.75	974 274.50
Total operational expenditure	341 248 000	323 734 079.71	17 513 920.29	994 801 775.97

Standard subdivisions (continued)

Subdivision	2020/2021			2019/2020
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Development:				
Current expenditure: Goods and services				
032. Materials and supplies	263 968 783	263 968 782.97	0.03	239 221 623.79
Total Development recurrent expenditure	263 968 783	263 968 782.97	0.03	239 221 623.79
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	-	-	-	1 660 951.49
103. Operational equipment, machinery and plants	-	562 000.00	(562 000.00)	13 790 220.52
105. Feasibility studies, design and supervision	-	-	-	281 589 257.65
107. Construction, renovation and improvement	-	-	-	1 572 610 183.20
113. Operational equipment, machinery and plants	4 400 000	2 392 567.99	2 007 432.01	-
115. Feasibility studies, design and supervision	191 487 892	191 617 702.04	(129 810.04)	-
116. Purchase of land and intangible assets	1 576 900	1 576 140.00	760.00	-
117. Construction, renovation and improvement	1 400 125 135	1 385 655 488.03	14 469 646.97	-
Total	1 597 589 927	1 581 803 898.06	15 786 028.94	1 869 650 612.86
Capital transfers				
129. Capital transfer for state owned enterprises	-	-	-	4 620 707.11
131. Government organizations	115 987 290	115 987 289.27	0.73	-
Total	115 987 290	115 987 289.27	0.73	4 620 707.11
Total: Development expenditure	1 977 564 000	1 961 759 970.30	15 786 029.70	2 113 492 943.76
GRAND TOTAL	2 318 794 000	2 285 494 050.21	33 299 949.79	3 108 344 719.73

1.3 Departmental revenue

Revenue for the financial year is as follows:

Revenue head	Estimate	Actual revenue 2020/2021	More/(Less) than estimated	Actual revenue 2019/2020
	N\$	N\$	N\$	N\$
Private telephone calls	-	-	-	2 039.93
Miscellaneous	783 024	387 869.92	(395 154.08)	1 617 199.56
Leases/Letting of state land and building	-	11 856.67	11 856.67	-
Departmental fines	-	-	-	3 739.00
Services rendered to Ministries	3 745	3 250.00	(495.00)	1 950.00
Examination fees for seamen	18 353	2 728.00	(15 625.00)	16 681.00
Aeronautical fees and charge for DCA and non-aeronautical fees	-	-	-	3 002.00
	805 122	405 704.59	399 417.41	1 644 611.49

i) Underexpenditure

Main division 01 - Government Garage (N\$ 4 746 465.50 – 6.14%)

The under spending on personnel expenditure was due to the fact that many staff members have retired during the 2020/2021 financial year, but re-appointment did not take place. Most of the vacant positions that were budgeted for under the 2020/2021 financial year were not filled.

The under spending on development budget, were funds reserved for the Omuthiya contractor and sub-contractor as per agreement with the Department. The delay in using all funds as planned was affected by closure of the site due to Covid-19, a further delay was observed in getting specialized machinery and tools from South Africa due to lock down.

Main division 04 – Transportation Policy and Regulations (N\$ 3 243 829.34 – 5.14%)

The underexpenditure on personnel expenditure are due to vacancies of the Deputy Director of Transportation Policy and the Control Administrative Officer that were not filled. The post for the Deputy Director policy was only filled during December 2020 and the Control Administrative Officer was filled in June 2021.

The remainder amount for daily subsistence allowance (DSA) funds could not be spent due to some activities suspended because of Covid-19 pandemic.

A request for procurement of cartridges was submitted to the Procurement Management Unit, however, due to the procurement process, the bids could not be obtained on time resulting in the under spending.

An invoice of N\$ 60 000 for a staff member, who enrolled for qualified training, could not be processed on time. The invoice was received close to the cut-off date for the foreign payments and as a result, it could not be processed on time.

No advertisement for road proclamation were placed in during the 2020/2021 financial year, which are normally paid under this main division.

Main division 05 – Civil Aviation Air Navigation Services (N\$ 19 404 985.38 – 10.92%)

The underexpenditure on remuneration and other conditions of service is due to the fact that some staff members refused to be transferred to the Namibia Civil Aviation Authority (NCAA) leading to no pay out of leave gratuity. There had been decreases in overtime work in Air traffic control, Air Navigation Information System (AIS) and Communication Navigation Surveillance (CNS) sections during the period of April 2020 to March 2021.

An unexpected saving under the Department of Civil Aviation Infrastructure projects is due to late certification of project invoices, non-availability of copies of contracts to justify processing of payments and this resulted into the Department of Civil Aviation (DCA) not meeting the cut-off date of payments.

Main division 06 – Maritime Affairs (N\$ 1 639 812.78 – 6.28%)

The underspending on remuneration and other conditions of services is due to the fact that vacant positions budgeted for were not filled during the 2020-2021 financial year. Underspending on daily subsistence allowance (DSA) is due to Covid-19 protocol restrictions, so no training of staff members and meetings took place as planned.

Main division 07 – Meteorological Services (N\$ 5 323 625.08 – 20.94%)

The underexpenditure on personnel expenditure was as a result of vacancies that were not filled during the 2020-2021 financial year. The development budget for the meteorological service could not be executed due to insufficient funds, as tenders or bids had to be cancelled in terms of the Procurement Act.

Main division 08 – Government Air Transport Services (N\$ 3 058 365.54 – 4.93%)

The under spending on remuneration was because of vacancies that were not filled. Funds were budgeted to fill vacant positions, but not all positions were filled. Under spending on maintenance on aircraft was mainly because invoices were received close to the cut-off date for foreign payments.

Main division 09 – Aircrafts Accident Investigation (N\$ 1 005 939.71 – 15.84%)

The under spending on remuneration was caused by the position of a Deputy Director: aircraft accident incident investigations, which became vacant with the staff member going on early retirement. The vacant position is budgeted for in the 2021-2022 financial year and will be filled. The under spending on daily subsistence allowance (DSA) and training, courses, symposium and workshops is due to global Covid -19 regulations, which include travel restrictions that usually involves travel expenses in and around Namibia.

1.4.2 Departmental revenue: Explanation of variation exceeding N\$ 200 000:

Over-estimation

Miscellaneous (N\$395 154.08)

An amount of N\$731 459.33 was received to the revenue head of miscellaneous for the period under review mainly from Department of Maritime Affairs (CMA) Lüderitz and Walvis Bay for activities such as; Issue of logistic and duplicate of logistics, endorsement and exemption, extra attendance, registration of montage for a vessel, approval of service suppliers equipment and full survey, discharge of seamen (crew), marking and carving deletion certificate and change of names for vessels.

Department of Maritime does not have a revenue head and the funds collected from DMA are always allocated to Miscellaneous. Payments from previous financial years are also allocated to this revenue head.

During the period under review, actual revenue collected amounting to N\$ 731 459.33 was reduced to N\$ 387 869.92 due to debit encountered amounting to N\$ 343 589.41.

2. GENERAL INFORMATION

2.1 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue amounting to N\$ 731 459.33 for the year under review comprised of the following:

Description	Amount
	N\$
Revenue collected from September 2020 – March 2021	49 177.00
Manual journals for deduction from payroll from 2015-2019	316 711.97
Miscellaneous – payments from previous years	276 433.47
Lost equipment and stores	6 932.05
Reversal of basic salary, housing allowance, bonus and transport	11 174.84
Journal import created by Ministry of Finance	71 030.00
Total	731 459.33

2.2 Revenue outstanding

The Accounting Officer reported revenue outstanding amounting to N\$ 373 367 315.13 as at 31 March 2021. This amount consist of revenue outstanding for the hiring of an aircraft amounting to N\$ 18 391.90 and revenue outstanding for hiring of government vehicles to O/M/As amounting to N\$ 373 348 923.23.

ANNEXURE A (continued)

2.3 Bank accounts

The Accounting Officer reported the following bank accounts with closing balances as at 31 March 2021 as follows:

Account name	Banking institution	Closing balance as at 31/03/2021
		N\$
MWT Acquisition of Vehicles for Political Office Bearers	Standard Bank	3 661 782.14
Government Air Transport Services	First National Bank	2 444.87
Trans – Kalahari Railway Project	Standard Bank	59 187 832.50

2.4 Operating/Trade Account – Government Air Transport Services

The Accounting Officer reported a surplus for the year ended 31 March 2021 as follows:

Description	Amount
	N\$
Opening balance	-
Plus: Operating income	13 942 263.80
Total income	13 942 263.80
Less: Operating expenditure	(325 049.97)
Surplus as at 31 March 2021	13 617 213.83

2.5 Operating/Trade account – Government Garage

The Accounting Officer reported a profit of N\$ 449 829 271.83 for the year ended 31 March 2021 as follows:

Description	Amount
	N\$
Opening balance	47 567 196.88
Operating income	131 778 180.33
Less: Operating expenditure	106 286 454.86
Profit as at 31 March 2021	73 058 922.05

Reports produced by the IFMS Account Payable do not produce the same outcome as reports produced by Government Garage internal system due to the fact that the two systems are not linked to each other and payments are made from the internal system and the IFMS. The IFMS does not have provision for the billing/invoicing of OMAs for services rendered and specifying of specific vehicle expenditure categories like the internal system. The current process makes financial statement preparation very difficult to compile them accurately.

2.6 Compensation payments

The Accounting Officer reported an amount of N\$ 209 947.46 paid as compensation for land to communities affected by the construction of roads and railways during the financial year under review.

2.7 Commissions and special committees

The Accounting Officer reported an amount of N\$ 223 570.80 paid to the following commissions and special committees during the financial year under review.

Name	Amount
	N\$
Road Transportation Board	127 388.00
Transportation Commission of Namibia	82 422.00
Roads Board	13 760.80
Total	223 570.80

2.8 Outstanding commitments

The Accounting Officer reported a total amount of N\$ 293 195 426.70 in respect of outstanding commitments. The commitments are outstanding due to depleted budgets and/or invoices submitted after the cut-off date for payments by the Ministry of Finance.

2.9 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances amounting to N\$ 242 164.29 in respect of eleven (11) staff members as at 31 March 2021. An amount of N\$ 88 535.67 was recovered as at 30 September 2021.

2.10 Bursaries and study assistance

The Accounting Officer reported an amount of N\$ 154 780.00 paid in respect of study assistance granted to seven (7) staff members during the financial year under review.

ANNEXURE A (continued)

2.11 Aircrafts

The Accounting Officer reported revenue generated and expenditure incurred through the operations of seven (7) aircrafts of the Department during the 2020/2021 financial year as follows:

Description	Amount
Revenue	N\$
Hiring of aircrafts by Offices, Ministries and Agencies (O/M/As)	13 766 169.25
Total revenue	13 766 169.25
Expenditure	
Fuel	1 255 428.51
Maintenance	10 602 578.83
Other expenses: (trainings, navigation and ground handling charges, landing fees, subscriptions, weather services and parking fees)	7 820 271.02
Petty Cash - Local	37 640.00
Petty Cash - Foreign	193 748.10
Credit card (First National Bank)	1 487 856.19
Total expenditure	21 397 522.65

2.12 Movable property transferred

The Accounting Officer reported movable properties amounting to N\$ 300 468 294.48 transferred from the Department of Transport to the Namibia Civil Aviation Authority which comprises of equipment valued at N\$ 298 537 811.80 and vehicles valued at N\$ 1 930 482.68.

2.13 Debt to Government

The Accounting Officer reported a balance of N\$ 811 424.99 at 31 March 2021 in respect of debt to the Government.

2.14 Annual stock-taking

The Accounting Officer reported stocktaking results at twenty-four (24) stock points as follows:

Description	Amount
	N\$
Value of stock	88 785 363.65
Surpluses	635 433.69
Shortages/Deficiencies	116 754.15
Obsolete/Worn out items	556 872.77

2.15 Stores and depots

The Accounting Officer reported the following at its twenty four (24) stores and depots:

Description	Amount
	N\$
On hand at 01 April 2020	81 039 396.16
Receipts during financial year	17 918 246.89
Surplus taken on stock during financial year	635 433.69
Stock issued during financial year	(13 259 338.22)
Shortages/Losses	(116 754.15)
Written off during financial year	556 872.77
On hand at 31 March 2021	85 664 161.60

2.16 Internal inspections

The Accounting Officer reported internal inspections for stock and equipment conducted at twenty four (24) stock points of the Department during the financial year under review.

2.17 Vehicles on hand (Own fleet and pool vehicles)

The Accounting Officer reported vehicles on hand for the year ended 31 March 2021 as follows:

Own fleet	Vehicle type		
	Sedan	Pick-ups, combies	Value
			N\$
Balance at 01 April 2020	1	5	1 196 461.57
Depreciation	-	-	(275 638.10)
Balance at 31 March 2021	1	5	920 823.47

The Accounting Officer reported the following pool vehicles used by the Department during the year under review:

Pool vehicle	Vehicle type					Value
	Sedan	Pick-up, combies	Heavy vehicles	Motor bike	Other (trailers etc.)	
						N\$
Balance at 01 April 2020	64	40	12	3	17	8 391 539.13
Receipts	2	13	1	-	-	1 090 867.73
Returned	(1)	(2)	-	-	-	(110 338.50)
Transferred to Namibia Civil Aviation Authority (NCAA)	(25)	(22)	(1)	-	-	(1 930 482.68)
Depreciation	-	-	-	-	-	(3 333 690.65)
Balance at 31 March 2021	40	29	12	3	17	4 107 895.03

2.18 Government pool vehicles (Government garage)

The Accounting Officer reported government pool vehicles for the year ended 31 March 2021 as follows:

Government Garage	Vehicle type				Value
	Sedan	Pick-ups, combies	Heavy vehicles	Motor bike	
Opening balance at 01 April 2020	903	1 878	149	51	N\$ 74 362 491.34
Auctioned	(9)	(69)	-	-	(1 947 600.00)
Written-off	(2)	(34)	-	-	(1 230 000.00)
Donation by state	(3)	(2)	-	-	(297 800.00)
Balance at 31 March 2021	889	1 773	149	51	70 887 091.34

2.19 Losses and damages through unavoidable causes

The Accounting Officer reported a loss of a Samsung Galaxy J7 cellphone valued at N\$ 5 017.00. The amount of loss will be recovered from the staff member responsible.

2.20 Suspense accounts

The Department had the following outstanding balances on eleven (11) suspense accounts at 31 March 2021 of which five (5) had debit balances and six (6) had credit balances:

Description	Balance as at 31 March 2021 Debit/ (Credit)
	N\$
Government Garage trade account	73 058 922.05
Receipt suspense	(1 240 385.72)
Petty cash	62 550.00
RD cheques	(661 671.15)
S&T advance suspense account	971 341.21
Rejection account	(21 220.57)
Government Garage vehicle replacement	(20 575 085.67)
Bills payable	885 759.78
Electronic fund transfer clearing (EFT)	(195 217.03)
Pension funds: GIPF	1 621.41
Debt establishment	(750.00)

2.21 Capital projects

ANNEXURE A (continued)

The following were development projects of the Department of Transport as reported by the Accounting Officer for the financial year under review:

No:	Nature of project	Approved total budget	Total expenditure at 31/03/2020	Approved appropriation 2020/2021	Actual expenditure 2020/2021	Total expenditure as at 31/03/2021	Expected year of completion
		N\$	N\$	N\$	N\$	N\$	
1.	ATC: New area control centre for Windhoek FIR	1 210 609 000.00	667 108 677.29	7 410 920.00	7 410 919.88	674 519 597.17	31/03/2022
2.	Construction of ATC towers	467 926 000.00	55 088 344.48	10 000 000.00	9 924 250.00	65 012 594.48	31/03/2023
3.	Construction of head office for Civil aviation	432 000 000.00	231 991 040.15	2 589 070.00	2 536 098.84	234 527 138.99	31/03/2023
4.	Construction, rehabilitation and upgrading of Government Garages nation-wide	165 315 000.00	25 901 041.80	5 000 000.00	2 464 810.09	28 365 851.89	31/03/2023
5.	Maintenance of roads: Paved and none paved roads	1 298 865 000.00	462 034 482.84	858 540.00	20 430 082.15	482 464 564.99	01/03/2023
6.	Northern railway extension	2 823 760 000.00	1 143 360 427.13	(14 136 163.00)	163 836.61	1 143 524 263.74	31/03/2022
7.	Railway networking upgrading	5 090 841 000.00	2 692 140 593.61	189 402 149.00	190 301 265.07	2 882 441 858.68	31/03/2022
8.	To extend and upgrade the facilities of the Meteorological services	430 128 000.00	103 450 219.74	5 400 000.00	2 471 656.95	105 921 876.69	31/03/2025
9.	Upgrade and construction of Aus-Luderitz railway line	1 293 965 000.00	1 029 027 183.39	68 870 240.00	74 370 239.08	1 103 397 422.47	31/03/2022
10.	Upgrading of Walvis Bay - Kranzberg railway	3 772 838 000.00	240 456 371.49	374 299 370.00	348 838 202.05	589 294 573.54	30/06/2023
11.	Upgrade of Mpacha airport	350 000 000.00	97 154 674.86	15 000 010.00	4 015 689.94	101 170 364.80	01/03/2023
12.	Upgrading of Civil aviation infrastructure	452 098 000.00	434 754 121.03	10 000 000.00	5 369 606.73	440 123 727.76	31/03/2023
13.	Upgrading of vehicle and driver testing stations	300 018 000.00	274 815 097.23	1 620 600.00	1 749 613.89	276 564 711.12	31/03/2022
14.	Non-Motorised transport infrastructure development	73 331 000.00	151 831 947.55	275 400.00	275 384.75	152 107 332.30	31/03/2022
15.	Swakopmund - Henties Bay - Kamanjab link (412 km)	1 216 297 000.00	418 255 754.31	132 374 252.00	136 079 266.71	554 335 021.02	31/03/2023
16.	Upgrading of MR91 Gobabis-Aminius & Mr 40 Aminius-Aranos	1 240 954 000.00	500 529 147.13	110 113 202.00	112 997 794.94	613 526 942.07	30/03/2023
17.	Construction of gravel road: Isize- Sifuha- Malindi-Schuckmansburg (50km)	447 815 000.00	408 665 705.06	150 000 000.00	143 263 907.57	551 929 612.63	31/03/2023
18.	Fencing of state owned aerodromes	77 545 000.00	43 976 981.57	1 200 000.00	1 446 401.95	45 423 383.52	31/03/2023
19.	Tr 1/16: Windhoek - Okahandja road rehabilitation phase 1 (67km)	3 461 612 000.00	772 819 821.20	331 431 507.00	331 777 320.15	1 104 597 141.35	31/03/2023
20.	Construction of Tr9/1: Windhoek - Hosea Kuutako road to a dual carriage (44km)	4 069 000 000.00	476 397 838.31	282 794 566.00	261 447 695.95	737 845 534.26	31/03/2023
21.	Upgrading of Hosea Kuutako international airport	323 000 000.00	115 000 000.00	14 386 000.00	6 786 000.00	121 786 000.00	01/03/2023
22.	Mr 44: Swakopmund - Walvis Bay road upgrading (44km)	1 215 334 000.00	548 775 911.15	201 816 711.00	201 495 138.34	750 271 049.49	31/03/2023
23.	Completion of Mr 120: Okatana - Endola - Onunho road: (36km)	322 650 000.00	295 672 921.06	2 000 000.00	14 041 308.01	309 714 229.07	31/03/2021

No:	Nature of project	Approved total budget N\$	Total expenditure at 31/03/2020 N\$	Approved appropriation 2020/2021 N\$	Actual expenditure 2020/2021 N\$	Total expenditure as at 31/03/2021 N\$	Expected year of completion
24.	Empic - Regulatory management tools	206 000 000.00	19 255 577.62	5 000 000.00	5 562 000.00	24 817 577.62	31/03/2025
25.	Access roads to schools and clinics	182 383 000.00	20 000 000.00	21 052 000.00	21 052 000.00	41 052 000.00	31/03/2023
26.	Labour-based construction (DR3610:Tr1/11) Mangeti west quarantine camp	142 529 000.00	-	22 787 626.00	23 900 811.64	23 900 811.64	31/12/2023
27.	Construction of Opuwo aerodrome	331 620 000.00	4 179 622.64	1 000 000.00	-	4 179 622.64	31/03/2022
28.	Rehabilitation of Eros airport runway, taxiway & apron extension	588 500 000.00	15 792 691.81	24 900 000.00	31 588 669.01	47 381 360.82	31/03/2023
29.	Construction of new facilities for DAAP	152 000 000.00	-	100 000.00	-	-	01/03/2023
	TOTAL	32 138 933 000.00	11 248 436 194.45	1 977 546 000.00	1 961 759 970.30	13 210 196 164.75	

WINDHOEK

**ESTHER KAAPANDA
ACCOUNTING OFFICER**

