



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 2024

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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 Department of Transport of the Ministry of Works and Transport for the financial year ended 31 March 2024 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 JANUARY 2025

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

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

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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 2024**

1. SECTION A: FINANCIAL AUDIT

1.1 QUALIFIED 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 2024 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 financial year then ended 31 March 2024.

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the financial statements of the Department of Transport of the Ministry of Works and Transport as at 31 March 2024 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 QUALIFIED AUDIT OPINION

I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the audit 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 the 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 a qualified opinion. The qualified audit opinion is being expressed due to the following:

1.2.1 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\$ 81 085.50. This excess amount is unauthorised in terms of Section 6 (a) (ii) of the Act; and
- (ii) Furthermore, although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, five (5) sub-divisions were exceeded with a total amount of N\$ 2 289 201.57 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. Furthermore, if specific activities are expected to exceed the budgeted due to unforeseen circumstances funds should be viremented from activities where savings are expected.

Management comment

The Accounting Officer indicated that the Department acknowledges the audit findings and take note of it. The Department will enforce internal control measures to monitor the issue of unauthorized expenditure. Appropriate actions will be taken to prevent unauthorized expenditure in future.

1.2.2 Internally (Government) Funded Projects

a) The audit found discrepancies in the approved total budget amounts reported by the Accounting Officer for two (2) different capital projects noted below:

Project name	Approved total budget reported 2022/2023	Approved total budget reported 2023/2024	Variance
	N\$	N\$	N\$
Upgrading of Civil Aviation Infrastructure	452 098 000	477 573 728	(25 475 728)
Construction of Gravel Road: Isize- Sifuha- Gravel Roads Standards 137 km	11 500 000	45 037 320	(33 537 320)

It is recommended that the Accounting Officer should explain the differences in the approved budget amounts.

b) The Accounting Officer reported the following capital projects. However, the audit could not verify the total approved budget amounting to N\$ 595 000 000 from the Development budget and the supporting documents were not provided for audit purposes:

No.	Project name	Amount
		N\$
1.	Construction of Gravel Road Dr 3607:Ompunja - Ekanjolyambala - Naruvanda Gate(70km)	280 000 000
2.	Construction of Gravel Road from Dr : Onyati - Onyuulaye - Onkumbula (70km)	280 000 000
3.	Construction of Gravel Road D3417: Andara - Shamatura Clinic (15 km)	60 000 000
4.	Construction of Gravel Road Dr 3470 Rooidag - Kanu Vlei (74 km)	296 000 000
5.	Construction of Gravel Road Dr 3501: Sibbinda - Makanga School and Agriculture Centre	16 000 000
6.	Construction of Gravel Road Ngoma(Izimwe)Nakabolelwa Kasika PhaseII (33.4 km)	167 000 000
	TOTAL	595 000 000

It is recommended that the Accounting Officer should ensure that the supporting documents are provided for audit purposes.

Management comment

The Accounting Officer indicated that these are new projects with estimated costs based on internal assessment. These projects have not yet been awarded or contracted, the costs are subject to change.

1.2.3 Vehicles

The Accounting Officer reported that during the financial year under review, the Department transferred a vehicle valued at N\$ 288 584.00. However, the Accounting Officer did not provide supporting documents for audit purposes to verify the correctness of the reported vehicle.

It is recommended that the Accounting Officer should ensure that the supporting documents are provided for audit purposes at all times.

Management comment

The Accounting Officer indicated that the Department is unable to provide an explanation for the transferred vehicle valued to N\$ 288 584.00.

1.2.4 Permanently allocated vehicles (Government Garage)

The Accounting Officer did not submit the annual statement for all Government vehicles owned/managed by the Department of Transport for the financial year under review, which should indicate the total number and value of vehicles owned by the Government. This matter was also reported in the annual audit reports for the 2021/2022 and 2022/2023 financial years.

It is recommended that the Accounting Officer should ensure that the annual statement and registers of all Government vehicles are kept and submitted for audit purposes.

Management comment

The Accounting Officer indicated that the Department acknowledges the finding. The Ministry has transitioned to a new in-house developed fleet management system commissioned on 01 April 2024. This upgrade was necessitated by the repeated crashes and inability of the old database, which hindered accurate reporting. The Department is in the process of validating and verifying data concerning permanently allocated vehicles. Due to this data validation, the Department is unable to provide accurate totals for permanently allocated vehicles for the 2023/2024 financial year.

1.2.5 Non-submission of annual statements

The Accounting Officer did not submit the following annual statements to the Auditor-General for audit purposes.

- Bursary/Study Assistance (Statement 23)
- Pool vehicles (Statement 46.2)

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

Management comment

The Accounting Officer indicated that the data on pool vehicles are under review. The Department will submit a comprehensive and accurate statement upon completing the verification and validation process

1.2.6 Outstanding commitments

The Accounting Officer reported outstanding commitments for the financial year under review due to insufficient funds as follows:

Description	Amount
	N\$
Government Garage	841.96
Transportation Infrastructure	63 731 114.29
Railway Infrastructure	20 700.00
Transport Policy and Regulation	1 144 312.30
Directorate of Civil Aviation	1 541.00
Maritime Affairs	80 612.48
Meteorological Services	1 025 435.90
Directorate Accident Aircraft Investigation	18 741.80
Government Garage	7 342 888.80
Total	73 366 188.53

This resulted in the financial statements understated with N\$ 73 366 188.53 for the financial year under review.

It is recommended that the Accounting Officer should ensure that measures are in place to ensure that expenditure incurred is paid and accounted for in the year it was incurred.

Management comment

The Accounting Officer indicated that the outstanding commitments recorded in the fiscal year under review are due to the Ministry of Finance and Public Enterprises payment due dates of 08 March for bank transfers (foreign payment) and 22 March for EFT and bank transfers for local payments. These dates hindered the Ministry's ability to pay all invoices as most suppliers submit their invoices at the end of the month (31 March). To address this issue the Ministry will strengthen its internal control measures by emphasizing monthly reconciliations per directorate to clear encumbrance reports

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 no key audit matters to report on.

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 Suspense accounts

(i) Bills payable

The Bills payable suspense account reflects a debit balance of N\$ 871 564.56 as at 31 March 2024 instead of a credit balance.

It is recommended that the Accounting Officer should ensure that reconciliations are performed to avoid the Bills payable suspense account having a credit balance instead of a debit balance. The Accounting Officer should ensure that regular reconciliations is performed to avoid unexplained balances on suspense accounts.

Management comment

The Accounting Officer indicated that internal measures will be implemented to ensure that all suspense accounts are reconciled.

ii) Rejection suspense account

The rejection suspense account reflects a closing credit balance of N\$ 19 052.39 whereas this suspense account should have a debit balance to reflect total outstanding debt within the Department.

It is recommended that the Accounting Officer should ensure that this suspense account is having a credit balance instead of a debit balance.

Management comment

The Accounting Officer indicated that internal measures will be implemented to ensure that all suspense accounts are reconciled.

iii) S&T advance suspense account

The audit found that the S&T advance suspense account reflects an amount of N\$ 1 805 982.03, while the debit balance list reflects a balance of N\$ 708 579.91 resulting in an unexplained difference of N\$ 1 097 402.12.

It is recommended that the Accounting Officer should ensure that regular reconciliations are conducted.

Management comment

The Accounting Officer indicated that internal measures will be implemented to ensure that all suspense accounts are reconciled.

iv) Unexplained suspense accounts closing balances

The following suspense accounts have closing balances, however, the Accounting Officer did not disclose what constitute the balance.

Description	Balance as at 31 March 2024 Debit/ (Credit)
	N\$
Receipt suspense	391 009.10
RD cheques	(2 056.00)
Rejection Account	(19 052.39)

It is recommended that the Accounting Officer should provide a detailed analysis of what constitutes the balances.

Management comment

The Accounting Officer indicated that internal measures will be implemented to ensure that all suspense accounts are reconciled.

1.4.2 Underexpenditure

It was noted that the total budget for the Department of Transport was underspent with an amount of N\$ 237 242 941.66 – (8.21%). This money could have been utilized for other projects.

It is recommended that the Accounting Officer should put measures in place to avoid underexpenditure and should ensure that all planned programs are implemented.

Management comment

The Accounting Officer indicated that the Department would strengthen internal controls making sure that funds are utilised.

1.5 OTHER MATTERS

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

1.5.1 Key performance information

The audit found that the Accounting Officer did not provide the evidence for reported achievements to enable the assessment of the performance information.

The audit on Key Performance Indicators (KPI) could not be conducted as the Accounting Officer did not provide the required information for audit purposes.

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 or 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. I have nothing to report in this regard.

2 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.

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, 2023 (Act 1 of 2023) Appropriation Amendment Act, 2023 (Act 16 of 2023) 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.

2. 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 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).

[Handwritten signature]

- 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.
- 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.

4. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The accounts were timeously submitted by the Accounting Officer to the Auditor-General in terms of Section 13 of the State Finance Act 1991.


5. GENERAL INFORMATION

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

6. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Department of Transport during the audit is appreciated.

WINDHOEK, JANUARY 2025


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

Service	N\$	2023/2024				2022/2023
		Authorized expenditure	Actual expenditure	Variation		Actual expenditure
				Under expenditure/ (Excess)	Percent age	
	N\$	N\$	N\$	N\$	%	N\$
01. Government Garage:						
Original budget	105 217 000					
Plus: Virement	2 100 000	107 317 000	103 268 551.81	4 048 448.19	3.77	78 695 444.42
02. Transportation Infrastructure:						
Original budget	1 740 143 000					
Less: Virement	(15 225 480)	1 724 917 520	1 668 990 413.02	55 927 106.98	3.24	1 387 231 851.79
03. Railway Infrastructure Management:						
Original budget	562 015 000					
Less: Virement	(1 527 000)	560 488 000	455 237 904.84	105 250 095.16	18.78	980 895 905.44
04. Transportation Policy and Regulation:						
Original budget	53 020 000					
Plus: Virement	6 095 480	59 115 480	58 041 577.84	1 073 902.16	1.82	55 578 952.00
05. Civil Aviation Air Navigation Services:						
Original budget	321 381 000					
Plus: Virement	11 887 000	333 268 000	300 175 122.20	33 092 877.80	9.93	182 857 041.40
06. Maritime Affairs:						
Original budget	45 561 000					
Less: Virement	(2 990 000)	42 571 000	42 652 085.50	(81 085.50)	(0.19)	22 764 733.69
07. Meteorological Services:						
Original budget	55 351 000					
Less: Virement	(90 000)	55 261 000	17 780 566.31	37 480 433.69	67.82	23 217 464.08
08. Government Air Transportation Services:	-	-	(2 000.00)	2 000.00	-	151 282 725.06
09. Aircrafts Accident and Incident Investigations:						
Original budget	6 864 000					
Less: Virement	(250 000)	6 614 000	6 164 836.82	449 163.18	6.79	5 984 393.39
Total		2 889 552 000	2 652 309 058.34	237 242 941.66	8.21	2 888 508 511.27

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2023/2024			2022/2023
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<u>Operational:</u>				
Current expenditure: Personnel				
001.Remuneration	108 884 000	107 755 489.92	1 128 510.08	131 158 333.24
002.Employer's contribution to the G.I.P.F	12 166 000	11 781 437.45	384 562.55	14 768 668.26
003.Other conditions of service	3 723 243	4 518 007.85	(794 764.85)	4 718 139.20
005.Employer's contribution to social security	437 000	401 658.58	35 341.42	456 930.42
Total	125 210 243	124 456 593.80	753 649.20	151 102 071.12
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	8 676 000	7 464 452.99	1 211 547.01	15 306 785.02
022. Materials and supplies	1 876 480	1 882 454.00	(5 974.00)	2 611 325.24
023. Transport	36 871 277	36 871 277.00	-	8 196 526.00
024. Utilities	16 209 958	15 342 963.13	866 994.87	17 771 639.10
025. Maintenance expenses	2 054 000	1 379 674.14	674 325.86	88 080 764.29
026. Property rental and related charges	37 355	19 354.50	18 000.50	-
027. Other services and expenses	7 380 000	6 400 071.96	979 928.04	98 460 679.91
Total	73 105 070	69 360 247.72	3 744 822.28	230 427 719.56
Current expenditure: Membership fees and subscriptions				
041. International	8 840 687	8 241 297.46	599 389.54	262 190.15
Total	8 840 687	8 241 297.46	599 389.54	262 190.15
Current expenditures: Subsidies and other transfer				
043. Government organisations	118 313 000	118 309 935.78	3 064.22	15 113 417.07
045. Public and departmental enterprises and private industries	5 198 000	5 198 000.00	-	5 472 000.00
Total	123 511 000	123 507 935.78	3 064.22	20 585 417.07
Total: current operational expenditure	330 667 000	325 566 074.76	5 100 925.24	402 377 397.90
Capital expenditure: Acquisition of assets				
103. Operational equipmen, machinery and plant	685 000	-	685 000.00	177 911.08
Total Current capital expenditure	685 000	-	685 000.00	177 911.08
Total Operational expenditure	331 352 000	325 566 074.76	5 785 925.24	402 555 308.98
<u>Development:</u>				
Capital expenditure: Goods and other services				
032. Materials and supplies	82 193 000	-	82 193 000.00	-
Total	82 193 000	-	82 193 000.00	-

Subdivision	2023/2024			2022/2023
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Capital expenditure: Acquisition of assets				
113. Operational equipment, machinery and plant	35 000 000	193 752.05	34 806 247.95	3 777 877.26
115. Feasibility studies, design and supervision	149 036 545	113 731 843.15	35 304 701.85	222 367 978.77
117. Construction, renovation and improvement	452 601 000	373 495 664.85	79 105 335.15	2 180 692 346.26
Total	636 637 545	487 421 260.05	149 216 284.95	2 406 838 202.29
Capital transfers: Sub-national bodies				
131. Government organisations	1 839 369 455	1 839 321 723.53	47 731.47	79 115 000.00
Total	1 839 369 455	1 839 321 723.53	47 731.47	79 115 000.00
Total Development expenditure	2 558 200 000	2 326 742 983.58	231 457 016.42	2 485 953 202.29
GRAND TOTAL	2 889 552 000	2 652 309 058.34	237 242 941.66	2 888 508 511.27

1.3 Departmental revenue

Revenue for the financial year under review is as follows:

Revenue head	Estimate	Actual revenue 2023/2024	More/(Less) than estimated	Actual revenue 2022/2023
	N\$	N\$	N\$	N\$
Miscellaneous	806 751	(80 618 142.04)	(81 424 893.04)	624 670.14
Services rendered to Ministries	3 858	1 950.00	(1 908.00)	-
Examination fees for seamen	18 909	58 209.00	39 300.00	30 820.00
Lease/Letting of State Land and Building	-	300.00	300.00	-
Aeronautical Fee Charges for Dea and Non Aeronautical Fees	-	1 500.00	1 500.00	-
Total	829 520	80 556 183.04	81 385 703.04	655 490.14

1.4 Notes to the financial statements

1.4.1 Appropriation Account: Explanation of variations exceeding 2% between authorised and actual expenditure

Underexpenditure

Main division 01: Government Garage (N\$ 4 048 448.19 -3.77%)

The underexpenditure of utilities is due to invoices of March 2024 that were received late and could not be paid during the 2023/2024 financial year.

All third- party claims could not be completed during the planned financial year causing funds under claims against the State not to be utilized.

Training of non – qualifying courses that was budgeted for in the annual training plan didn't take place as there was no funds to cater for the travelling allowance of staff members that should have attended the courses. There was a delay in the process of appointing the security company, not all funds were used during the financial year under review.

A delay at the procurement process to appoint the contractor to renovate Rundu Government Garage and Ondangwa Government Garage occurred. The contractor was appointed towards the end of the financial year and only one invoice could be paid on time.

Main division 02: Transportation Infrastructure (N\$ 55 927 106.98 -3.24%)

The underexpenditure is due to the construction of seven gravel roads in previously designated war zone areas. These road projects required demining before work could commence. After the payment of N\$ 22 426 056.20 for demining services and new vehicles for explosive unit, the amount remaining were not sufficient to contract a service provider and the time remaining was not sufficient to make virementation. If the Directorate had appointed service providers before demining was completed, the service providers would have been waiting for the demining to be completed. This incurred standing time and claims and by so doing the Directorate would be overcommitting the state. To avoid the latter, the Directorate had to let these funds to return to Treasury.

Main division 03: Railway Infrastructure Management (N\$ 105 250 095.16 - 18.78%)

The underexpenditure is due to the Northern Railway Line Extension - Construction of station buildings and platform, the contractor estimated to complete the project on 31/03/2024, however due to challenges the contractor slow pace of execution, therefore the lower payment claims lead to underexpenditure on the project. The building construction works was completed on the 22/07/2024.

Rehabilitation of the southern railway line section Sandverhaar – Buchholzbrunn the Ministry of Works and Transport budgeted to procure rails through the Center Procurement Board of Namibia (CPBN). The CPBN failed to finalise the procurement process for the supply of rails, which at the time of writing this report to date, the Board has not yet concluded. The low execution of the construction of earthworks by the contractor Road Construction Company (RCC) also led to low payment claims. The contractor had challenges to mobilize full operational construction teams on site.

Upgrading of Walvis Bay – Kranzberg Railway, the project is co-funded by African Development Bank (AFDB), Ministry of Works and Transport (MWT) used loan funding (the AFDB funding) to pay for most of the invoices/payment claims in order to fully utilize the loan provisions. One of the contractors, instead of opting for payment of retention fees, the contractor opted to place the Performance Guarantee as retention.

Main division 05: Civil Aviation Infrastructure (N\$ 33 092 877.80 - 9.93%)

Construction of Opuwo Aerodrome, the remaining amount was not sufficient to appoint a contractor. Fencing of State – Owned Aerodrome some of the contracts were signed in May 2024, therefore delaying the provision of services to the 2024/2025 financial year and the contract of the consultant for Impalila Aerodrome is not yet signed although the tender closed on 23 January 2024.

Upgrading of Mpacha Airport, the amount was budgeted for retention and payment for the consultant. After paying the retention and final payment those amount could not be utilized somewhere else.

Main division 07: Meteorological Services (N\$ 37 480 433.69 - 67.82%)

A tender for the Automatic Weather Observing System (AWOS) was awarded during 2022, however there was a weather disaster in terms of flooding in China and whole system was destroyed during the manufacturing process according to the suppliers. Through that case, the delivery process could not happen during the financial year, therefore the funds could not be paid to the supplier.

Main division 09: Aircrafts Accident and Incident Investigation (N\$ 449 163.18 - 6.79%)

Due to the unpredictability of the investigation of aircraft accident and incidents, the Directorate of Aircraft Accident and Incident Investigation has underspent. Travelling of the Directorate of Aircraft Accident and Incident Investigation (DAAII) depend on unforeseen events such as aircraft accidents. If no aircraft accidents occur, DAAII staff members would travel less.

The use of courier services also is difficult to predict due to the very nature of the core functions of DAAII, which is to investigate aircraft crashes which determines the rate at which DAAII purchase items or making use of services such as courier services.

The purchase of specialized equipment is contingent on the number of investigations conducted by investigators, hence the required investigation equipment were still usable, thus only some were replaced. Most of the investigators' equipment has been purchased during the 2022/2023 financial year.

2 GENERAL INFORMATION

2.1 Miscellaneous revenue

Miscellaneous revenue for the financial year under review comprised of the following:

Description	Amount
	N\$
Revenue collected April 23 to March 24 being revenue collected	(769 889.20)
Lost equipment and stores	(37 719.85)
Journal Import created by MoF (Inclusive sales of tender documents)	(93 371.00)
Unused funds returned to State Revenue Fund	(19 248 548.02)
Unaccounted Revenue to miscellaneous account of the OMA's	(360 970.11)
Less debt encountered 31 March 2024	101 128 640.22
Total	80 618 142.04

2.2 Revenue outstanding

The Accounting Office reported N\$ 466 524 252.77 as outstanding revenue amounts as at 31 March 2024.

2.3 Bank accounts

The Accounting Officer reported the following bank accounts with closing balances as at 31 March 2024:

Account name	Closing balances at 31 March 2024
	(N\$)
MWT Acquisition of Vehicles for Political Office Bearers	4 019 164.05

2.4 Trade Account

The Accounting Officer reported the Government Garage receipts and payments as at 31 March 2024 as follows:

	N\$	N\$
Opening balance as at 01 April 2023		173 990 185.75
Add: Expenditure for 01/04/2023 – 31/03/2024		191 854 959.24
Miscellaneous expenditure		11 037 297.45
		376 882 442.44
Less: Revenue collected (Debt acceptance)	73 177 327.36	
Manual journals hiring of vehicles auctions	16 962 371.00	
Miscellaneous collection	5 124.68	
		(90 144 823.04)
Closing balance as at 31 March 2024		286 737 619.40

2.5 Compensation payments

The Accounting Officer reported an amount of N\$ 12 688 530.75 paid as compensation for land to community members affected by construction of road from Windhoek to Hosea Kutako International Airport during the financial year under review.

2.6 Outstanding commitments

The Accounting Officer reported outstanding commitments for the financial year under review due to insufficient funds as follows:

Description	Amount
	N\$
Government Garage	841.96
Transportation Infrastructure	63 731 114.29
Railway Infrastructure	20 700.00
Transport Policy and Regulation	1 144 312.30
Directorate of Civil Aviation	1 541.00
Maritime Affairs	80 612.48
Meteorological Services	1 025 435.90
Directorate Accident Aircraft Investigation	18 741.80
Government Garage	7 342 888.80
Total	73 366 188.53

2.7 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances amounting to N\$ 682 378.88 in respect of seventy- three (73) staff members as at 31 March 2024.

2.8 Debt to the Government

The Accounting Officer reported forty - three (43) staff members with a total debt to Government amounting to N\$ 626 519.52 as at 01 April 2023. An amount of N\$ 156 678.56 was recovered during the financial year under review and outstanding debt amounting to N\$ 469 840.96 as at 31 March 2024.

2.9 Annual stocktaking

The Accounting Officer reported stocktaking results at twenty-three (23) stock points for the financial year under review as follows:

Description	Amount
	N\$
Value of stock	56 202 880.05
Surpluses	137 643.79
Shortages/Deficiencies	219 824.51
Obsolete/Worn out items	757 236.79

2.10 Stores and depots

The Accounting Officer reported twenty-three (23) stores and depots on hand as at 31 March 2024 as follows:

Description	Amount
	N\$
On hand at 01 April 2023	53 065 481.37
Receipt during the financial year	11 369 408.01
Surpluses	138 393.79
Issued during the financial year	3 974 129.52
Shortages/losses	219 824.51
Written-off	363 079.43
On hand 31 March 2024	99 606 935.57

2.11 Vehicles

The Accounting Officer reported vehicles on hand for the year ended 31 March 2024 as follows:

2.11.1 Vehicles on hand (Own fleet):

Own fleet	Vehicle type		
	Sedan	Pick-ups combies	Value
Balance at 01 April 2023	1	5	N\$ 2 756 561.02
Balance at 31 March 2024	1	5	2 756 561.02

2.11.2 Vehicles on hand (Permanently allocated)

Pool vehicle	Vehicle type					Value
	Sedan	Pick-up combies	Heavy vehicles (Lorries tractor & Busses	Motor bike	Other	
Balance at 01 April 2023	41	26	18	3	7	N\$ 20 913 974.07
Returned	-	-	-	-	(1)	(56 114.20)
Transferred	-	(1)	-	-	-	(288 584.00)
Auctioned	-	(1)	-	-	-	(339 283.61)
Balance at 31 March 2024	41	24	18	3	6	20 229 992.26

2.12 Accidents – Cost of damages

The Accounting Officer reported seventeen (17) vehicles to be repaired as at 01 April 2023 at an estimated cost of N\$ 301 743.48. One (1) accident occurred during the financial year under review with the estimated cost of N\$ 15 333.07 and eighteen (18) vehicles are still to be repaired as at 31 March 2024 with an estimated amount of N\$ 317 076.00.

2.13 Losses and damages through irregularities (persons employed by Government)

The Accounting Officer reported three (3) cases with a total amount of N\$ 837 326.46 of which one (1) is of a vehicle accident with estimate repair cost of N\$ 15 333.07, one (1) case of stolen cellphones with an amount of N\$ 8 100.39 and one (1) case of stolen movable assets with an amount of N\$ 813 893.00.

2.14 Suspense accounts

The Department had the following outstanding balances on eight (8) suspense accounts at 31 March 2024 of which four (4) had debit balances and four (4) had credit balances.

Description	Balance as at 31 March 2024 Debit/ (Credit)
	N\$
Government Garage Trade Account	286 737 619.40
Receipt suspense	391 009.10
RD Cheques	(2 056.00)
S&T advance suspense account	1 805 982.03
Rejection account	(19 052.39)
Government Garage Vehicle Replacement	(80 451.86)
Bills payable	871 564.56
Electronic fund transfer clearing (EFT)	(367 517.75)

2.15 Capital projects (Internally Government funded projects)

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

No.	Nature of project	Approved total budget	Total expenditure at 31/03/2023	Approved appropriation 2023/2024	Actual expenditure 2023/2024	Total expenditure as at 31/03/2024	Expected year of completion
		N\$	N\$	N\$	N\$	N\$	
1.	ATC: New Area Control Centre for Windhoek FIR	1 210 609 000	679 035 597.17	70 500 000	70 500 000.00	749 535 597.17	31/03/2026
2.	Construction of ATC Towers	467 926 000	72 222 594.48	19 551 000	19 551 000.00	91 773 594.48	31/03/2026
3.	Construction rehabilitation and upgrading of Government Garages nation-wide	165 315 000	34 784 372.44	5 000 000	1 241 455.95	36 025 828.39	01/03/2030
4.	Maintenance of Roads: Paved and none paved roads	1 298 865 000	482 742 298.10	15 000 000	4 539 110.49	487 281 408.59	31/03/2020
5.	Northern railway extension	2 823 760 000	1 170 629 011.06	46 000 000	40 952 084.18	1 211 591 095.24	31/03/2030
6.	Railway networking upgrading	5 090 841 000	3 304 554 847.33	265 000 000	263 508 345.44	3 568 063 192.77	31/03/2030
7.	To extend and upgrade the facilities of the Meteorological Services	430 128 000	144 699 753.95	35 000 000	193 752.05	144 893 506.00	31/03/2030
8.	Upgrade and construction of Aus-Luderitz railway line	1 293 965 000	1 106 757 598.71	-	-	1 106 757 598.71	31/03/2030
9.	Upgrading of Walvis Bay - Kratzberg railway	3 772 838 000	1 729 568 005.22	112 895 000	99 652 533.77	1 829 220 538.99	31/03/2030
10.	Upgrade of Mpacha Airport	350 000 000	219 363 410.85	2 500 000	1 590 890.31	220 954 301.16	31/03/2024
11.	Upgrading of civil aviation infrastructure	477 573 728	447 573 727.76	30 000 000	30 000 000.00	477 573 727.76	31/03/2030
12.	Upgrading of vehicle and driver testing stations	300 018 000	281 564 711.12	1 000 000	1 000 000.00	282 564 711.12	31/03/2030
13.	Swakopmund - Henties Bay - Kamanjab Link(412 km)	1 260 652 616	965 144 660.10	295 507 955	295 507 955.00	1 260 652 615.10	31/03/2027
14.	Upgrading of MR91 Gobabis-Aminius & Mr 40 Aminius-Aranos	1 435 104 367.32	901 181 595.21	277 872 000	277 872 000.00	1 179 053 595.21	30/03/2026
15.	Construction of gravel road: Isize- Sifuha- Malindi-Schuckmansburg (50km)	696 648 902	632 219 010.93	2 000 000	2 000 000.00	634 219 010.93	31/03/2024

No.	Nature of project	Approved total budget	Total expenditure as at 31/03/2023	Approved appropriation 2023/2024	Actual expenditure 2023/2024	Total expenditure as at 31/03/2024	Expected year of completion
16.	Fencing of state owned aerodromes	N\$ 77 545 000	N\$ 46 336 698.64	N\$ 30 000 000	N\$ 2 017 718.78	N\$ 48 354 417.42	31/03/2030
17.	Tr 1/16: Windhoek - Okahandja road rehabilitation phase 1 (67km)	3 461 612 000	1 668 877 830.10	336 045 045	334 780 500.00	2 003 658 330.10	31/03/2026
18.	Construction of Tr9/1: Windhoek - Hosea Kutako road to a dual carriage (44km)	4 069 000 000	1 208 328 374.47	447 333 000	447 333 000.00	1 655 661 374.47	31/03/2026
19.	Mr 44: Swakopmund - Walvis Bay road upgrading (44km)	1 380 102 604	1 173 293 603.62	206 809 000	206 809 000.00	1 380 102 603.62	31/03/2026
20.	Empic - Regulatory management tools	206 000 000	24 261 577.62	500 000	500 000.00	24 761 577.62	31/03/2030
21.	Labour-Based construction (Dr3610:Tr1/11) Mangetti West quarantine camp	142 529 000	80 988 747.63	3 000 000	3 000 000.00	83 988 747.63	31/12/2025
22.	Construction of Opuwo Aerodrome	331 620 000	4 179 622.64	8 500 000	4 866 033.74	9 045 656.38	31/03/2026
23.	Construction of gravel road: Oupili (Tr10/2) - Onkumbula (40 km)	160 000 000	4 000 000.00	3 000 000	3 000 000.00	7 000 000.00	31/03/2026
24.	D3622: Omukukutu - Omboloka (25km) road gravelling	55 261 000	4 000 000.00	7 000 000	7 000 000.00	11 000 000.00	31/03/2026
25.	Rehabilitation of the southern railway line section Sandverhaar-Buchholzbrunn	1 415 000 000	23 834 971.61	134 000 000	48 938 227.67	72 773 199.28	31/03/2030
26.	Helavi-Alex Muranda (Charlie Cutline) Gravel Roads standards 137km	45 037 320	10 000 000.00	35 000 000	35 037 320	45 037 320.00	31/03/2026
27.	Construction of Head Office for civil aviation	432 000 000	249 527 138.99	500 000	500 000.00	250 027 138.99	31/03/2026
28.	Construction of Gravel road Dr 3607:Ompunja - Ekaniolyambala - Naruvanda Gate(70km)	280 000 000	-	7 000 000	4 345 466.93	4 345 466.93	31/03/2026
29.	Construction of Gravel Road from Dr : Onyati - Onyuulaye - Onkumbila (70km)	280 000 000	-	10 000 000	4 282 112.58	4 282 112.58	01/06/2025
30.	Construction of Gravel Road D3417: Andara - Shamatura Clinic (15 km)	60 000 000	-	18 000 000	3 844 002.33	3 844 002.33	31/03/2025
31.	Construction of Gravel Road Dr 3470 Rooidag - Kanu Vlei (74 km)	296 000 000	-	17 271 000	6 788 178.53	6 788 178.53	31/03/2028

No.	Nature of project	Approved total budget	Total expenditure as at 31/03/2023	Approved appropriation 2023/2024	Actual expenditure 2023/2024	Total expenditure as at 31/03/2024	Expected year of completion
		N\$	N\$	N\$	N\$	N\$	
32.	Construction of Gravel Road Dr 3501: Sibbinda - Makanga School and Agriculture Centre (4 km)	16 000 000	-	9 000 000	2 023 008.28	2 023 008.28	31/03/2026
33.	Construction of Gravel road Ngoma(Izimwe)Nakabolelwa Kasika Phaseli (33.4 km)	167 000 000	-	5 000 000	1 143 287.55	1 143 287.55	31/03/2026
34.	Construction of Gravel road for Dr 3622: Omulondo Oshuuli (16 km)	28 880 000	-	10 000 000	10 000 000.00	10 000 000.00	31/03/2025
35.	Construction of Gravel Road for Dr 3622: Omundaungilo - Omboloka (86 km)	110 336 000	-	9 000 000	9 000 000.00	9 000 000.00	31/03/2026
36	Construction of Gravel Road from Dr 3654: Omuthiya - Elambo (49 km)	88 454 000	-	5 000 000	5 000 000.00	5 000 000.00	31/03/2026
37.	Marine Radar System	44 599 033	-	12 400 000	12 400 000.00	12 400 000.00	31/03/2026
38.	Upgrading of Hosea Kutako International Airport	323 000 000	139 786 000.00	66 016 000	66 016 000.00	205 802 000.00	01/03/2025
	Total	34 544 220 571	16 809 759.75	2 558 200 000	2 326 742 983.58	19 136 198 743.33	

2.16 Capital projects (Externally funded projects)

The Accounting Officer reported the following externally funded development projects of the Department of Transport for the financial year under review:

No.	Nature of project	Approved total budget N\$	Total expenditure at 31/03/2024 N\$	Total expenditure at 31/03/24 N\$	Expected year of completion
1.	Transport Infrastructure Improvement Project 1	2 000 000 000	1 559 876 468.16	1 559 876 468.16	31/03/2026
2.	Construction of TR9/1: Windhoek - Hosea Kutako Road to a Dual Carriage (44km)	1 034 651 199	368 705 700.00	368 705 700.00	31/03/2026
3.	D3622: Omukukutu - Omboloka (31.4km) Road Graveling-KFW	61 950 000	-	-	31/03/2026
4.	Construction of Gravel road for Dr 3622: Omulondo Oshuuli (15.5km)-KFW	33 324 000	-	-	31/03/2025
6.	Construction of Gravel Road for Dr 3622: Omundaungilo - Omboloka (74.5 km) -KFW	118 964 000	-	-	31/03/2026
7.	Construction of Gravel Road from Dr 3654: Omuthiya - Elambo (49 km)-KFW	97 407 000	-	-	31/03/2026
TOTAL		3 346 296 199	1 928 582 168.16	1 928 582 168.16	

WINDHOEK 23 AUGUST 2024

**ESTER N. KAPANDA
ACCOUNTING OFFICER**

