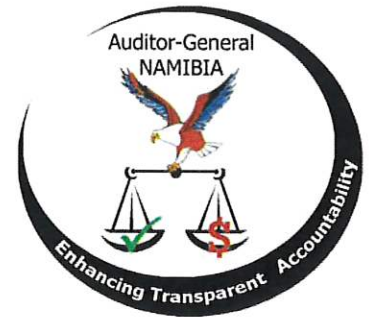




REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

DEPARTMENT OF WORKS OF THE MINISTRY OF WORKS AND TRANSPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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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 Works 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 QUALIFIED AUDIT OPINION	1
1.3	KEY AUDIT MATTERS	1
1.4	OTHER INFORMATION	1
2.	SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION	2
2.1	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE	2
2.2	AUDIT OBJECTIVE	2
2.3	AUDIT CRITERIA	2
2.4	SUMMARY OF THE METHODS APPLIED	2
2.5	BASIS FOR QUALIFIED AUDIT OPINION	2
2.5.1	<i>Unauthorized expenditure</i>	2
2.5.2	<i>Virements</i>	3
2.5.3	<i>Non-response to management letter</i>	3
2.6	QUALIFIED OPINION ON THE SUBJECT MATTER	3
3.	AUDIT OF PERFORMANCE INFORMATION	4
3.1	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE	4
3.2	AUDIT OBJECTIVE	4
3.3	KEY AUDIT FINDINGS	4
3.4	CONCLUSION	4
4.	RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS	4
5.	AUDITORS RESPONSIBILITY, POWERS AND DUTIES	5
6.	GENERAL INFORMATION	6
7.	ACKNOWLEDGEMENT	6
1.1.	APPROPRIATION ACCOUNT	7
1.2	STANDARD SUBDIVISIONS	8
1.3	DEPARTMENTAL REVENUE	9
1.4.	NOTES TO THE FINANCIAL STATEMENTS	9
1.4.1	APPROPRIATION ACCOUNT: EXPLANATION OF VARIATIONS EXCEEDING 2% BETWEEN AUTHORIZED AND ACTUAL EXPENDITURE	9
1.4.2	DEPARTMENTAL REVENUE: EXPLANATIONS OF VARIATIONS EXCEEDING N\$ 200 000	11
2.	GENERAL INFORMATION	12
2.1	MISCELLANEOUS REVENUE	12
2.2	BANK ACCOUNTS	12
2.3	OPERATING/TRADE ACCOUNT – GOVERNMENT STORES	13
2.4	OUTSTANDING SUBSISTENCE ADVANCES	13
2.5	VEHICLES	13
2.5.1	<i>Vehicles on hand (Own fleet)</i>	13
2.5.2	<i>Pool vehicles</i>	13
2.5.3	<i>Vehicle – Cost of damages</i>	13

2.6	SUSPENSE ACCOUNTS	14
2.7	OUTSTANDING COMMITMENTS	14
2.8	BURSARIES AND STUDY ASSISTANCE	14
2.9	FIXED PROPERTY SOLD	14
2.10	DEBT TO GOVERNMENT	14
2.11	ANNUAL STOCKTAKING	15
2.12	STORES AND DEPOTS	15
2.13	LOSSES AND DAMAGES THROUGH IRREGULARITIES	15
2.14	LOSSES AND DAMAGES THROUGH IRREGULARITIES (PERSONS OUTSIDE THE GOVERNMENT)	15
2.15	CAPITAL PROJECTS	1

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.
Tender Board Exemptions:	To free from an obligation (Tender Board Regulations) to which others are subjected.
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 temporarily 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 the 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 an 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.
ISSAI: International Standards of Supreme Audit Institutions	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 your 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's do not fairly present its actual financial position and the required information was either not disclosed, or (if disclosed) was inadequately disclosed or was inaccurate.</p>
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 you, 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.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
DEPARTMENT OF WORKS 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 Works 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.

In my opinion, the financial statements of the Department of Works 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 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. I have nothing to report in this regard.

2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

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 Works for the financial year ended 31 March 2021.

2.1 Description of the subject matter information and audit scope

The audit aimed to determine whether the Department of Works 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.

2.2 Audit objective

The objective of this compliance audit is to verify and assess whether Department of Works 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.

2.3 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.

2.4 Summary of the 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.

2.5 Basis for Qualified Audit Opinion

2.5.1 Unauthorized expenditure

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

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through Virements during the year, seven (7) sub-divisions were exceeded with a total amount of N\$ 2 024 626.81, which is unauthorized in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer should strictly monitor and analyze the financial position of the Department on a continuous basis and take suitable action timeously to avoid unauthorized expenditure.

Management comment

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

2.5.2 Virements

According to Treasury Instruction DE 0401 the “*Accounting Officer shall keep a meticulous record of virements which were granted in respect of their votes, as, after the books have been closed for the financial year concerned they must indicate the effect on the estimated amounts on the appropriation accounts (whether an increase or decrease).*”

The audit found that the following virements at their respective main divisions as reflected in the Appropriation Account do not agree with the virements as approved by Treasury as follows:

Main division	Actual expenditure as per Appropriation account	Approved virements by Treasury	Difference
03. Capital Project Management	N\$ 1 140 161	N\$ 740 161	N\$ (400 000)
05. Maintenance	1 702 996	2 102 996	400 000

It is recommended that the Accounting Officer should ensure that virements approved by Treasury agrees with those reflected in the appropriation account.

2.5.3 Non-response to management letter

Treasury Instructions BB 0101(j) states that “*An Accounting Officer who, under section 8 of the Act, is charged with the general financial administration of a vote and State moneys under his control, shall be responsible for answering all queries which the Auditor General, in the performance of his, direct to him*”.

The Accounting Officer did not provide comments to the findings in the management letter issued after the completion of the annual routine audit for the year under review.

It is recommended that the Accounting Officer should ensure that the Management Letter comments are provided at all times.

Management comment

The Accounting Officer apologized and indicated that the file got misplaced and that caused the delay.

2.6 UNQUALIFIED OPINION ON THE SUBJECT MATTER

In my opinion, the Department of Works 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

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.

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 public and other relevant stakeholders whether the reported actual performance has actually occurred and are based on the selected criteria.

3.3 KEY AUDIT FINDINGS

The audit of performance of information was not carried out due to the following:

- Annual plan review report for the 2020/2021 financial year was not provided for audit purposes.
- Quarterly reviews for the 2020/2021 financial year was not provided for audit purposes.

The Accounting Officer should ensure that the annual plan review reports and the Quarterly reviews are kept and provided for audit purposes at all times.

3.4 CONCLUSION

The audit could not provide reasonable assurance whether the Department of Works in the Ministry of Works and Transport has delivered services 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 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 uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my 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 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), and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

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 financial statements were submitted timeously to the Auditor-General in terms Section 13 of the State Finance Act, 1991.

7. ACKNOWLEDGEMENT

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

WINDHOEK, MARCH 2022


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1.AUDITED FINANCIAL STATEMENTS

1.1. Appropriation account

Service	2020/2021				2019/2020	
	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/(Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	8 544 000					
Less: Virement	(2 264 778)	6 279 222	6 189 281.16	89 940.84	1.43	6 902 411.69
02. Administration:						
Original budget	73 936 000					
Plus: Virement	1 182 292					
Less: Suspension	(5 075 000)	70 043 292	69 783 329.68	259 962.32	0.37	59 140 060.71
03. Capital Projects Management:						
Original budget	47 626 000					
Plus: Virement	1 140 161					
Less: Suspension	(6 283 000)	42 483 161	40 792 159.25	1 691 001.75	3.98	45 246 360.38
04. Fixed Asset Management:						
Original budget	177 151 000					
Plus: Virement	531 656					
Less: Suspension	(24 073 000)	153 609 656	152 063 672.30	1 545 983.70	1.01	184 409 366.08
05. Maintenance:						
Original budget	230 878 000					
Plus: Virement	1 702 996					
Less: Suspension	(2 411 000)	230 169 996	224 589 940.93	5 580 055.07	2.42	225 847 220.45
06. Information Technology:						
Original budget	8 141 000					
Less: Virement	(48 036)					
Less: Suspension	(778 000)	7 314 964	7 193 191.79	121 772.21	1.66	6 089 634.35
07. Centralised Services(Government Stores and Reproduction Services):						
Original budget	34 644 000					
Less: Virements	(1 661 420)					
Less: Suspension	(1 544 000)	31 438 580	30 362 873.62	1 075 706.38	3.42	32 220 627.12
08. Garden Services:						
Original budget	10 985 000					
Less: Virement	(582 871)					
Less: Suspension	(3 000)	10 399 129	10 110 041.40	289 087.60	2.78	11 083 067.99
Total		551 738 000	541 084 490.13	10 653 509.87	1.93	570 938 748.77

ANNEXURE A (continued)

1.2 Standard subdivisions

	2020/2021			2019/2020
	Authorized expenditure	Actual expenditure	Under expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational				
Current expenditure: Personnel				
001. Remuneration	269 500 371	269 511 580.48	(11 209.48)	265 969 261.22
002. Employer's contribution to the GIPF	28 464 930	30 080 983.16	(1 616 053.16)	31 068 381.27
003. Other conditions of service	12 612 150	12 546 128.87	66 021.13	11 863 892.38
005. Employer's contribution to the Social Security	1 086 880	1 085 510.78	1 369.22	1 135 610.54
Total	311 664 331	313 224 203.29	(1 559 872.29)	310 037 145.41
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	3 944 289	3 779 897.74	164 391.26	4 768 605.75
022. Materials and supplies	5 025 636	4 374 495.54	651 140.46	9 735 000.00
023. Transport	2 511 000	2 511 000.00	-	6 471 863.78
024. Utilities	67 210 817	66 823 289.85	387 527.15	70 931 270.41
025. Maintenance expenses	2 812 320	2 649 266.56	163 053.44	4 425 187.65
026. Property rental and related charges	90 949 000	89 955 905.99	993 094.01	116 820 229.50
027. Other services and expenses	7 494 538	7 183 124.99	311 413.01	2 395 584.62
028. Training course, symposiums and workshops	-	-	-	8 939 178.51
029. Printing and advertisements	-	-	-	293 784.92
031. Entertainment politicians	-	-	-	31 026.03
033. Office refreshment	-	-	-	171 262.72
034. Official entertainment/corporate gifts	-	-	-	27 000.00
036. Property rental and related charges	-	-	-	36 290.62
Total	179 947 600	177 276 980.67	2 670 619.33	225 046 284.51
Current expenditure: Membership fees and subscriptions				
043. Government organisations	33 528 000	33 528 000.00	-	-
046. Subsidies to sub national bodies	-	-	-	24 942 000.00
Total	33 528 000	33 528 000.00	-	24 942 000.00
Total: Operational expenditure	525 139 931	524 029 183.96	1 110 747.04	560 025 429.92
Operational Capital expenditure: Acquisition of assets				
103. Operational equipment, machinery and plants	438 069	59 074.27	378 994.73	-
Total	438 069	59 074.27	378 994.73	-
Total: Operational expenditure	525 578 000	524 088 258.23	1 489 741.77	560 025 429.92
Development:				
Current expenditure				
105. Feasibility studies, design and supervision	1 858 322	1 540 321.32	318 000.68	863 163.42
107. Construction, renovation and improvement	24 301 678	15 455 910.58	8 845 767.42	10 050 155.43
Total: Development expenditure	26 160 000	16 996 231.90	9 163 768.10	10 913 318.85
Grand total	551 738 000	541 084 490.13	10 653 509.87	570 938 748.77

1.3 Departmental revenue

Revenue for the year under review 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	10 000	-	(10 000.00)	-
Miscellaneous	1 000 000	322 716.73	(677 283.27)	1 687 646.32
Departmental fines	-	666.64	666.64	1 333.36
Letting of housing	-	(19 646.15)	(19 646.15)	-
Lease/Letting of state land and building	38 302 475	38 328 203.98	25 728.98	38 943 540.52
Lease of parking	83 032	51 575.15	(31 456.85)	48 457.69
Obsolete, worn-out and surplus	-	631.00	631.00	-
Sale of Government Houses	5 825 076	-	(5 825 076.00)	-
Total	45 220 583	38 684 147.35	(6 536 435.65)	40 680 977.89

1.4. Notes to the financial statements

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

Underexpenditure

Main division 03 – Capital Project Management (N\$ 1 691 001.75 – 3.98%)

The underexpenditure under personnel expenditure amounting to N\$ 610 526.00 was as a result of a reversal of N\$ 958 142.00 that was added on the outstanding commitments on the Fund Distribution Certificate by the system. Unfortunately that amount increased the total funds available in August 2020 to N\$ 1 188 142. Due to the availability of funds, the division then requested for an internal virement to the amount of N\$ 1 100 000.00 in October 2020.

The underexpenditure under goods and other services was due to a supplier who failed to deliver a full set of complete computer units due to COVID-19 restrictions in South Africa. Furthermore the cost under other items for maintenance was over estimated. The underexpenditure on training courses/symposium and workshop is as a result of restrictions on gatherings as prescribed by COVID-19 regulations, hence no workshop could take place. The underexpenditure on printing and advertising was due to COVID-19 restrictions which prohibited activities of printing and advertising.

The underexpenditure under the development project was as a result of activities being put on hold on the Photo and Electrification Installation as well as the Ministerial Headquarters Upgrading capital projects due to the prevalent of COVID-19 and the uncertainties of restrictions and regulations regarding COVID-19. Some of these activities relates to the improvement of security structures and equipment at the Ministry of Works and Transport's Head Offices.

Main division 05 - Maintenance (N\$ 5 580 055.07 – 2.42%)

The underexpenditure under other goods and services is due to a fuel and lubricants requisitions which were committed but not paid due to delays in the Procurement Management Unit (PMU) process. The underexpenditure under utilities is due to the February 2021 and March 2021 invoices for photocopy machines and courier charges that were committed and then cancelled. Furthermore the underexpenditure under maintenance expenses is due to few requisitions received than planned.

The underexpenditure under acquisition of capital assets on operational equipment is due to the requisitions for tools and equipment that were committed but not paid due to delays in the PMU process.

The underexpenditure under the Ongoing Renovation and Minor Renovations development project is due to water supply pipes in various functional buildings, houses and flats in the regions which was not done as planned due to the discontinuing of Annual Tenders. The underexpenditure under Extension/Upgrading and Construction of the Department of Works Regional Offices/Sub-Offices and Workshops development project is due to the construction of Okongo Sub-Office which was not done as planned due to discontinuing of annual tenders.

Furthermore, the underexpenditure under Rehabilitation, Upgrade or Re-Construction of Oxidation Ponds of Sewer System development project is as a result of construction planned for Uibed Secondary School in Hardap Region and Ehomba Combined School in Kunene Regions not carried out due to discontinuing of Annual Tenders.

Main division 07 – Stores and Printing (N\$ 1 075 706.38 – 3.42%)

The underexpenditure under personnel expenditure is due to non-payment of leave gratuity to one staff member who went on early retirement at Government Stores Ondangwa and was only paid in the 2020/2021 financial year. The underexpenditure under goods and other services emanates from subsistence and travel allowance because due to COVID-19 regulations limiting the number of people gathering. Hence, planned auctions for Kunene and Kavango regions could not take place during the year under review. Furthermore, the underexpenditure under training is due to COVID-19 regulations which limited the number of people per public gathering.

The Development Project: Renovation of Government Stores and Reproduction Services because renovation of Ondangwa Government Stores sanitary facility took long with the Procurement Management Unit for the appointment of a new contractor. A proposal for work to be done through the Regional Council did not materialize because their funds were depleted. The engagement of young artisan's quote was too high and was not in line with the bill of quantity, the labour cost exceeded the material cost. This lead to the non-appointment of a contractor.

Rundu Government Stores air conditioners could not be installed because there was no tenders running with the Regional Council, hence the underexpenditure. Furthermore, the requisition for Otjiwarongo Government Stores guard house could not be processed before end of the financial year because it was approved late, hence the underexpenditure.

Main division 08 – Gardens Services (N\$ 289 087.60 – 2.78%)

The underexpenditure under personnel expenditure is due to some staff members who were transferred, retired and passed on during the 2020/2021 financial year. The underexpenditure under goods and other services emanates from subsistence and traveling allowance, because staff members were not allowed to travel around and outside the country during the 2020/2021 financial year due to COVID-19 regulations. Furthermore, funds under maintenance expenses could not be utilized as planned, hence the underexpenditure.

1.4.2 Departmental revenue: Explanations of variations exceeding N\$ 200 000

(i) Over-estimated

Miscellaneous revenue (N\$ 677 283.27)

An amount of N\$ 322 716.73 was received under miscellaneous revenue for the period under review. It consists of an amount of N\$ 99 431.17 which was manually posted to the revenue vote for the employer's contribution for one staff member. Furthermore, it consists of N\$ 99 762.06 manual journals posted for housing allowance deductions from payroll from January 2018 to December 2018 as well as March 2020. It further consist of N\$ 7 100.00 for payments which only indicated the liability as miscellaneous which are payments from previous financial years as well as unknown payments are allocated into this vote during the reconciliation process and journals are passed as such. It also consists of N\$ 37 657.09 of payroll deductions of lost equipment and stores and reversal of basic salary, housing allowance, housing subsidy and transport allowance of N\$ 5 185.25 and lastly journal import created by Ministry of Finance amounting to N\$ 4 200.00.

Sale of Government Houses (N\$ 5 825 076.00)

The variance was due to the over estimation.

2. GENERAL INFORMATION

2.1 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue amounting to N\$ 322 716.73 for the year under review as follows:

Description	Amount
	N\$
Government house rental fees	4 379.45
Employer's contribution for L. Mbanze	99 431.17
Rental payments wrongly charged to the rejection account	200.00
Manual journal for housing allowance deductions	99 762.06
Revenue collection	25 801.71
Lost equipment and stores	37 657.09
Payroll reversal	51 285.25
Journal import created by Ministry of Finance	4 200.00
Total	322 716.73

2.2 Bank accounts

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

Account name	Bank name	Closing balance as at 31 March 2021
		N\$
MWT Kavango Regional Council	Bank Windhoek	872 262.80
MWT Khomas Region Council	Bank Windhoek	127 039.79
MWT Omusati Regional Council	Bank Windhoek	462 449.00
MWT Ohangwena Regional Council	Bank Windhoek	1 094 712.62
MWT Oshana Regional Council	Bank Windhoek	93 386.03
MWT Otjozondjupa Regional Council	Bank Windhoek	1 770 680.77
MWT Kunene Regional Council	Bank Windhoek	815 441.50
MWT Omaheke Regional Council - Gobabis	Bank Windhoek	361 752.31
MWT Karas Regional Council	Bank Windhoek	4 721.53
MWT Hardap Regional Council	Bank Windhoek	717 229.24
MWT Current account (Alienation of GRN houses)	Nedbank	30 869 318.47
MWT Call account	Nedbank	510 535.74
MWT Zambezi Regional Council	Bank Windhoek	625 124.70
MWT Oshikoto Regional Council	Bank Windhoek	551.42

ANNEXURE A (continued)

2.3 Operating/Trade account – Government stores

The Accounting Officer reported a loss of N\$ 63 667 398.58 for the year ended 31 March 2021 as follows:

Description	Amount
	N\$
Opening balance - 01/04/2020	(77 802 141.45)
Plus: Operating income	32 607 893.53
Total loss	(45 194 247.92)
Less: Operating expenditure	18 473 150.66
Loss for the year: 31/03/2021	(63 667 398.58)

2.4 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances amounting to N\$ 159 799.93 in respect of sixteen (16) cases at 31 March 2021. An amount of N\$ 146 339.41 was reported as recovered during April to September 2021 leaving a balance of N\$ 13 460.52 still to be recovered.

2.5 Vehicles

2.5.1 Vehicles on hand (Own fleet)

The Accounting Officer reported two (2) sedans and five (5) pick-ups/combies on hand for the year ended 31 March 2021.

2.5.2 Pool vehicles

The Accounting Officer reported pool vehicles on hand as at 31 March 2021 as follows:

Vehicle type	Number
Sedan	53
Pick – ups , combies	233
Heavy vehicles (Lorries, tractors & busses)	24

2.5.3 Vehicle – Cost of damages

The Accounting Officer reported eight (8) vehicle accidents from the previous financial year and seven (7) vehicle accidents during the financial year under review. Fifteen (15) vehicles were to be repaired as at 31 March 2021.

2.6 Suspense accounts

The Ministry had the following outstanding balances on thirteen (13) suspense accounts at 31 March 2021 of which six (6) had debit balances and seven (7) had credit balances:

Description	Balance as at 31 March 2021 Debit/(Credit)
	N\$
Stores trade account	63 667 398.58
Receipt suspense	(7 968 318.07)
Petty cash	50.00
S&T advance suspense account	(171.00)
RD cheques	372 967.14
S&T advance suspense account	448 293.56
Rejection account	(87 399.31)
Bills payable	(4 671 228.73)
Electronic fund transfer clearing account (EFT)	(67 186.64)
Social security	(81.00)
Pension Funds: (GIPF)	30.34
Nampost savings bank	(50.00)
Debt establishment	3 377.25

2.7 Outstanding commitments

The Accounting Officer reported outstanding commitments amounting to N\$ 23 361 042.26, due to invoices submitted after the cut-off date and budget depletion.

2.8 Bursaries and study assistance

The Accounting Officer reported an amount of N\$ 5 169 890.65 paid in respect of study assistance granted to fifty-eight (58) staff members during the financial under review.

2.9 Fixed property sold

The Accounting Officer reported that thirty-four (34) houses were sold under the alienation scheme to a total amount of N\$ 3 778 428.17, which comprises of the selling price amounting to N\$ 2 309 112.63, rates and taxes received N\$ 160 877.11, arrear rental N\$ 93 137.11 and interest received of N\$ 215 301.32.

2.10 Debt to Government

The Accounting Officer reported one hundred and twenty-four (124) staff members with principle debt of N\$ 1 773 437.38. An amount of N\$ 360 672.45 was recovered through salary deductions during the financial year under review.

2.11 Annual stocktaking

The Accounting Officer reported that the Department has sixty-six (66) points where stock and equipment are kept with a total value of N\$ 247 342 967.65. Furthermore, the Accounting Officer reported a surplus of N\$ 2 165 958.20, shortages/deficiencies of N\$ 915 426.75 and obsolete/worn-out of N\$ 19 563 410.95 that were discovered during the annual stocking taking.

2.12 Stores and depots

The Accounting Officer reported stock on hand at fifty-five (55) stores and depots to the total value of N\$ 70 967 018.02 as at 31 March 2021.

2.13 Losses and damages through irregularities

The Accounting Officer reported losses and damages through irregularities as follows:

Nature of irregularity	Amount
	N\$
Legal opinion	1 610.00
Damaged vehicle	326 891.97
Five (5) damaged vehicles	Awaiting quotation

2.14 Losses and damages through irregularities (persons outside the Government)

The Accounting Officer reported losses and damages through irregularities as follows:

Nature of irregularity	Amount
	N\$
Damage to the boom gate at Head Office	5 401.50

ANNEXURE A (continued)

2.15 Capital projects

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

No:	Nature of project	Approved total budget	Total expenditure as 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	Upgrading of network infrastructure and expansion of IT services to Regional Offices	22 697 000	16 069 898.55	2 583 000	2 526 538.72	18 596 437.27	30/03/2021
2	Photo – voltaic and electrical installations	56 851 000	27 134 304.81	302 000	80 600.00	27 214 904.81	30/03/2021
3	Extension, upgrading and construction of regional offices, sub-offices and workshops	84 000 000	46 557 351.50	1 707 000	395 746.29	46 953 097.79	31/03/2024
4	Upgrading of Ministerial Headquarter	103 418 000	46 318 061.34	2 908 000	1 221 322.41	47 539 383.75	31/03/2021
5	Property assessment study and maintenance asset management	21 222 000	-	-	-	-	31/03/2022
6	Renovation of Government stores	143 399 000	4 067 624.07	923 000	19 538.85	4 087 162.92	31/03/2022
7	Rehabilitation, upgrade and re-construction of oxidation ponds of sewer system	147 543 000	49 114 265.26	1 511 000	-	49 114 265.26	31/03/2030
8	Ongoing renovation and minor capital renovation	108 535 000	76 853 256.59	12 625 000	9 213 285.25	86 066 541.84	31/03/2024
9	Rehabilitation of infrastructure and upgrading of exist specialised installation	80 000 000	40 814 943.27	3 601 000	3 539 200.38	44 354 143.65	31/03/2021
	TOTAL	767 665 000	306 929 705.39	26 160 000	16 996 231.90	323 925 937.29	

WINDHOEK, 20 AUGUST 2021

ESTHER N. KAAPANDA
ACCOUNTING OFFICER