



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 2024

Published by authority

Price (Vat excluded) N\$ 47.00

Report no: 101/2024

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 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 DECEMBER 2024

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

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

Contents

1.	SECTION A: FINANCIAL AUDIT	1
1.1	QUALIFIED AUDIT OPINION.....	1
1.2	BASIS FOR QUALIFIED AUDIT OPINION	1
<i>1.2.1</i>	<i>Unauthorized expenditure</i>	<i>3</i>
<i>1.2.2</i>	<i>Debt to the Government.....</i>	<i>1</i>
<i>1.2.3</i>	<i>Accident-cost of repairs.....</i>	<i>1</i>
<i>1.2.4</i>	<i>Immovable assets.....</i>	<i>2</i>
<i>1.2.5</i>	<i>Outstanding commitments</i>	<i>2</i>
<i>1.2.6</i>	<i>Suspense accounts</i>	<i>3</i>
<i>1.2.7</i>	<i>Non - submission of annual statements.....</i>	<i>3</i>
1.3	KEY AUDIT MATTERS	3
1.4	EMPHASIS OF MATTERS	3
1.5	OTHER INFORMATION	4
2	SECTION B: AUDIT OF PERFORMANCE INFORMATION	4
2.1	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE	4
2.2	AUDIT OBJECTIVE.....	6
2.3	AUDIT CRITERIA.....	6
2.4	SUMMARY OF METHODS APPLIED	6
2.5	KEY AUDIT FINDINGS	6
2.6	CONCLUSION ON THE SUBJECT MATTER.....	7
3.	RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE.....	7
4.	AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS AUDIT	7
6.	GENERAL INFORMATION	8
7.	ACKNOWLEDGEMENT	8
	ANNEXURE A	9
1.	AUDITED FINANCIAL STATEMENTS.....	9
1.1	APPROPRIATION ACCOUNT	9
1.2	STANDARD SUBDIVISIONS	10
1.3	DEPARTMENTAL REVENUE	11
1.4.	NOTES TO THE FINANCIAL STATEMENTS	11
<i>1.4.1</i>	<i>Appropriation Account: Explanation of variations exceeding 2%</i>	<i>11</i>
<i>1.4.2</i>	<i>Departmental revenue: Explanations of variations exceeding N\$ 200 000.....</i>	<i>13</i>
2.	GENERAL INFORMATION	14
2.1	SUSPENSION	14
2.2	MISCELLANEOUS REVENUE	14
2.3	REVENUE OUTSTANDING	14
2.4	BANK ACCOUNTS.....	14
2.5	OPENING TRADE ACCOUNT – GOVERNMENT STORES	15
2.6	OUTSTANDING COMMITMENTS	15
2.7	OUTSTANDING SUBSISTENCE ADVANCES	16

2.8	FIXED PROPERTY SOLD	16
2.9	MOVABLE PROPERTY TRANSFERRED WITHIN GOVERNMENT	16
2.10	DEBT TO THE GOVERNMENT.....	16
2.11	ANNUAL STOCKTAKING.....	16
2.12	STORES AND DEPOTS	16
2.13	VEHICLES	16
(i)	OWN FLEET	16
(ii)	PERMANENTLY ALLOCATED	17
2.14	VEHICLES – COST OF REPAIRS	17
2.15	LOSSES AND DAMAGES THROUGH IRREGULARITIES	17
2.16	ASSET REGISTER.....	18
2.17	SUSPENSE ACCOUNTS	18
2.18	CAPITAL PROJECTS	19

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 2024**

1. SECTION A: FINANCIAL AUDIT

1.1 QUALIFIED AUDIT OPINION

I have audited the financial statements of Department of Works of the Ministry of Works and Transport for the financial 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 year then ended.

In my opinion, except for the effects of the matters described in the Basis of Qualified Opinion paragraph, the financial statements of the Department of Works 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 Debt to Government

The Accounting Officer reported principal debt amounting to N\$ 201 763.89 for nine (9) staff members with a term of redemption exceeding 12 months. However, Treasury approvals for redemptions exceeding the 12-month period were not provided for audit purposes.

It is recommended that the Accounting Officer should ensure that the Treasury approvals are obtained and submitted for audit purposes.

Management comment

The Accounting Officer indicated that Treasury approval was not obtained for redemptions exceeding 12 months.

1.2.2 Accident-cost of repairs

The Accounting Officer reported two (2) vehicles repaired at cost of N\$ 70 875.50 during the financial year under review. However, the audit could not verify the reported information as the supporting documents such as proof of payments and expenditure vouchers were not provided for audit purposes.

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

Management comment

The Accounting Officer indicated that the Department confirms the audit finding and the two vehicles are still being handled.

1.2.3 Immovable assets

The Accounting Officer submitted a list of immovable assets (houses, flats and land) owned/managed by the Department. However, the list does not show the total value of the immovable properties.

It is recommended that the Accounting Officer should ensure that the values of the immovable assets are recorded.

Management comment

The Accounting Officer indicated that the Department did not show the values, because the aim of the Department was to put in place a Master Asset Register containing all immovable assets owned by the Government. The Department requested the Ministry of Agriculture and Land Reform to do valuation of Assets that were completed and submitted. The request will require the Ministry of Agriculture and Land Reform to mobilise financial and personnel resources for the exercise.

1.2.4 Outstanding commitments

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

Main division	Amount
	N\$
01. Office of the Minister	157 783.68
02. Administration	125 311.33
03. Capital project management	1 066 363.55
04. Fixed asset management	14 539 495.43
05. Maintenance	478 259.81
08. Garden Services	24 173.76
051. Trade account -Government Stores	778 154.03
Total	17 169 541.59

This resulted in the financial statements being understated with N\$ 17 169 541.59 for the financial year under review.

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

Management comment

The Accounting Officer indicated that the outstanding commitments are due to the Ministry of Finance and Public Enterprises payment cut off dates on 08 March for bank transfers and 22 March for EFT for local payments. These cut off dates hindered the Department to pay all invoices, as most suppliers submit their invoices at the end of the month. There will be regular follow-ups on outstanding invoices on a monthly basis to process invoices on time.

1.2.5 Rejection suspense account

The account reflects a closing credit balance of N\$ 90 937.56 whereas this account should have a debit balance.

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

1.2.6 Non - submission of annual statements

The Accounting Officer did not submit Annual statement 23 (Bursary and Study assistance) for audit purposes.

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 acknowledges the audit finding.

1.3 KEY AUDIT MATTERS

Key audit matters are those matters that in my professional judgment were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the audit opinion thereon and I do not provide a separate audit opinion on these matters. I have nothing to report in this regard.

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 Works of the Ministry of Works and Transport in the financial statements. My opinion is not modified in respect of these matters:

1.4.1 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 financial year, ten (10) sub-divisions were exceeded with a total amount of N\$ 4 825 129.19 which is unauthorized 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 unauthorized expenditure in future. Furthermore, if specific activities are expected to exceed the budgeted funds due to unforeseen circumstances, funds should be viremented from activities where savings are expected.

Management comment

The Accounting Officer took note of the finding. Monitoring and review of the Department's financial position will be done and appropriate action will be taken to avoid unauthorized expenditure.

1.4.2 Underexpenditure

It was noted that the total budget for the Department of Works was underspent with an amount of N\$ 94 838 673.59 (15.04%). This money could have been utilized for other projects in the country.

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 took note of the finding and will ensure strict budget control to avoid under expenditure in future.

1.4.3 Asset Inspection audit

During the financial year under review, an asset inspection audit was conducted in the Kunene region and the audit found the following:

Rule 5.1.3 of the Rules for the occupation of the official accommodation read together with Procedure 1.7 (e) (i) for Allocations of official quarters the lease of official housing may be cancelled when the occupant retires from the Public Service and that the staff member may apply for an extension of one (1) month after retirement whereby he/she will be required to pay economical rent of N\$ 1 500.00.

The audit found that six (6) tenants are still occupying official quarters for more than the extension period of one month, while they have retired from the public service. However, the audit team could not verify the extension letters, proof of rental paid and reasons provided for prolonged stay after retirement.

The Accounting Officer should ensure that staff members who have retired from the Public Service, should vacate official quarters/accommodation as required by the rules for occupation of the official accommodation.

Management comment

The Accounting Officer indicated that the retired tenants were not implemented because most tenants were awaiting the new cabinet directive to buy non-assigned houses. The Khorixas office was therefore advised to let the sitting tenants continue to occupy the houses by head office until they get offers to buy the houses.

1.5 OTHER INFORMATION

The Management is responsible for the other information. My audit opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with the 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 knowledge obtained in the audit or otherwise appears to be materially misstated.

2. SECTION B: AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Department of Works of the Ministry of Works and Transport for the financial year ended 31 March 2024.

2.1 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 Department of Works to achieve success in National Development Plans (NDP) and provide improvements in service delivery to the public.

The scoping of the key performance indicators were performed by looking at the high-level statements which are indicated in the Mandate of the Department of Works and the 2017-2022 Strategic Plan. Key performance indicators 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 audit was performed on the KPIs of the projects for the strategic objectives listed below:

Directorate : Maintenance and Fixed Assets Management	
Strategic Objective	Improve the Management of State Assets
Key Performance Indicator	Number of houses projects for sale
Project	Fixed Asset Management (Registration of GRN immovable assets)
Target	100
Strategic Objective	Improve the Management of State Assets
Key Performance Indicator	Number of pool houses and official Government accommodation renovated.
Project	Maintenance & Rehabilitation of GRN properties
Target	10

2.2 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 Department of Works of the Ministry of Works and Transport 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 based on the selected criteria.

2.3 AUDIT CRITERIA

In this audit the performance information against the following selected criteria was tested:

- Compliance with legislative requirements
- Usefulness;
- Reliability;
- Existence;
- Timeliness;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- Validity;
- Accuracy; and
- Completeness.

2.4 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).

2.5 KEY AUDIT FINDINGS

- i) The targeted Key Performance Indicator (KPI): The number of hundred (100) houses projected for sale was achieved.
- ii) The targeted Key Performance Indicator (KPI): The number of ten (10) pool houses and official Government accommodation renovated was achieved. The Accounting Officer renovated thirteen (13) Government accommodation facilities.

2.6 CONCLUSION ON THE SUBJECT MATTER

The outcome of the audit is satisfactory, as the selected Key Performance Indicators (KPI) were achieved.

3. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 and 13 of the State Finance Act 1991 (Act 31 of 1991) and legislation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements management is responsible for assessing the entity's ability to continue as a going concern disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity's financial reporting process.

The management is also responsible for ensuring adherence to the Appropriation Act 2023 (Act 1 of 2023) Appropriation Amendment Act 2023 (Act 16 of 2023) State finance Act 31 (Act 31 of 1991) Public Procurement Act 2015 (Act 15 of 2015) Treasury Instructions 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.

4. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement whether due to fraud or error and to issue a 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).

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.
- 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.

5. 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.

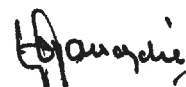
6. GENERAL INFORMATION

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

7. ACKNOWLEDGEMENT

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

WINDHOEK DECEMBER 2024



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2023/2024					2022/2023
Service	N\$	Authorised expenditure	Actual expenditure	Variations	
				Under-expenditure/ (Excess)	Percentage
	N\$	N\$	N\$	N\$	%
01. Office of the Minister:					
Original budget	7 788 000	7 788 000	6 891 801.03	896 198.97	11.59
02. Administration:					
Original budget	70 662 000				
Plus: Virement	4 405 346	75 067 346	71 697 346.27	3 369 999.73	4.49
03. Capital Projects Management:					
Original budget	52 441 000				
Less: Virement	(2 040 000)				
Less: Suspension	(1 000 000)	49 401 000	35 332 412.75	14 068 587.25	28.48
04. Fixed Asset Management:					
Original budget	173 469 000				
Less: Virement	(2 365 346)	171 103 654	146 120 806.21	24 982 847.79	14.60
05. Maintenance:					
Original budget	286 210 000				
Less: Suspension	(13 000 000)	273 210 000	226 658 371.65	46 551 628.35	17.04
06. Information Technology:					
Original budget	10 106 000				
Less: Virement	(6 000)	10 100 000	7 471 467.81	2 628 532.19	26.03
07. Centralised Services (Government Stores and Reproduction Services):					
Original budget	33 525 000				
Plus: Virement	6 000	33 531 000	31 940 261.11	1 590 738.89	4.74
08. Garden Services:					
Original budget	10 241 000	10 241 000	9 490 859.58	750 140.42	7.32
Total		630 442 000	535 603 326.41	94 838 673.59	15.04

1.2 Standard subdivisions

Subdivision	2023/2024			2022/2023
	Authorized expenditure	Actual expenditure	Under expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	265 242 980	263 733 862.55	1 509 117.45	261 355 456.87
002. Employer's contribution to the GIPF	30 828 000	28 806 300.59	2 021 699.41	29 333 402.06
003. Other conditions of service	10 659 700	6 702 558.67	3 957 141.33	7 677 842.90
005. Employer's contribution to the Social Security	1 081 000	979 915.30	101 084.70	1 015 565.88
Total	307 811 680	300 222 637.11	7 589 042.89	299 382 267.71
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	15 242 900	11 391 720.11	3 851 179.89	6 075 822.16
022. Materials and supplies	11 739 000	11 790 688.17	(51 688.17)	6 216 059.61
023. Transport	2 080 000	2 080 000.00	-	26 904 349.99
024. Utilities	77 974 659	70 738 961.87	7 235 697.13	71 999 765.04
025. Maintenance expenses	3 025 770	2 560 665.46	465 104.54	4 928 253.86
026. Property rental and related charges	96 668 654	78 334 242.03	18 334 411.97	97 946 936.08
027. Other services and expenses	10 657 346	8 216 366.84	2 440 979.16	5 602 843.76
Total	217 388 329	185 112 644.48	32 275 684.52	219 674 030.50
Current expenditure: Membership fees and subscriptions				
043. Government organisations	26 183 000	26 183 000.00	-	21 417 000.00
Total	26 183 000	26 183 000.00	-	21 417 000.00
Total: Operational current expenditure	551 383 009	511 518 281.59	39 864 727.41	540 473 298.21
Operational capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 971 191	-	1 971 191.00	-
103. Operational equipment, machinery and plant	1 087 800	476 178.99	611 621.01	584 011.77
Total	3 058 991	476 178.99	2 582 812.01	584 011.77
Total: Operational expenditure	554 442 000	511 994 460.58	42 447 539.42	541 057 309.98
Development:				
Current expenditure				
111. Furniture and office equipment	250 000	-	250 000.00	-
115. Feasibility studies, design and supervision	5 402 000	-	5 402 000.00	-
117. Construction, renovation and improvement	70 348 000	23 608 865.83	46 739 134.17	11 849 867.18
Total: Development expenditure	76 000 000	23 608 865.83	52 391 134.17	11 849 867.18
Grand total	630 442 000	535 603 326.41	94 838 673.59	552 907 177.16

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\$
Private telephone calls	10 302	-	10 302.00	-
Miscellaneous	1 030 301	2 655 718.18	(1 625 417.18)	4 024 819.33
Letting of housing	-	3 000.00	3 000.00	800.00
Lease/Letting of state land and building	39 463 079	49 379 869.74	(9 916 790.74)	47 775 343.19
Lease of parking	85 548	52 970.30	(32 577.70)	47 195.92
Obsolete, worn-out and surplus	11 264 618	9 484 728.20	(1 779 889.80)	-
Sale of Government houses	6 001 582	-	(6 001 582.00)	-
Sale of bidding documents	571 256	-	(571 256.00)	-
Total	58 426 686	61 576 286.42	3 149 600.42	51 848 158.

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 01 - Office of the Minister (N\$ 896 198.97 – 11.51%)

Leave gratuity is budgeted on anticipated and unexpected situations. There were no retirements, resignations or ill health and therefore there was an underexpenditure.

Additional funds were reallocated to subsistence allowance during the mid-term budget review. However, due to delays in approval, the funds were received after the closing of the financial year, leaving limited time for full utilization.

Some invoices for March 2024, were received after the closing of the financial year, resulting in an underexpenditure in this budget category.

The allocated funds on training and study assistance were not fully utilized as only two approved staff members attended training.

Main division 02 – Administration (N\$ 3 369 999.73 – 4.49%)

Underexpenditure on personnel expenditure was realized due to unfilled funded vacancies in the 2023/2024 financial year. Although these positions were important, they were not cleared on time by the Public Service for advertising and filling of vacancies. Similar underexpenditure in remuneration was allocated to other main division.

Leave gratuity benefit is budgeted for both anticipated and unexpected situations. There were only two (2) retirements with no resignations or cases of ill health resulting in significant underspending.

Additional funds were reallocated to subsistence allowance during the mid-term budget review. However, approval to release the funds in Mid-Term budget review took longer and only released the funds towards the end of the financial year constraining the time available for full utilization.

Invoices for March 2024 were received after the financial year, resulting in underexpenditure in this budget category.

The number of equipment repairs and minor maintenance tasks in the building decreased significantly due to implemented measures.

The allocated funds on training and study assistance were not fully utilized as some approved staff members who had started qualifying studies could not complete their programs.

Main division 03 – Capital Project Management (N\$ 14 068 587.25 – 28.48%)

During the 2023/2024 financial year, a total number of thirty-five (35) vacant positions in the establishment of the Directorate Capital Project Management were allocated for the revised staff which was still under review by the Office of the Prime Minister (Public Service Commission). The staff establishment was only approved in the first quarter of the 2024/2025 year, hence the salary and employment benefits of this anticipated positions contributed to the above underspending.

The variance in the development budget stemmed from delayed approvals of bids for projects of the Ministerial Headquarter upgrading, Government office photo voltaic and Electrification installations during the 2023/2024 fiscal year.

Main division 04 –Fixed Asset Management (N\$ 24 982 847.79 – 14.60%)

The invoices from various Local Authorities were received late and were prepared and processed until receipt level of the IFM, however due to the magnitude of the general expenses, accounts payables could only make payments until the due date hence the underspending.

The expired lease agreements that were send to the Office of the Attorney General for scrutiny and renewal were not finalized within the financial year thus resulted in unpaid invoices.

Main division 05 – Maintenance (N\$ 46 551 628.35 – 17.04%)

The contract of hiring photocopiers was not awarded in a timely manner, which suggests that the procurement process may have faced procedural delays. When the contractor finally signed the contract, they encountered challenges in delivering the machines as stipulated. As a result, the payment amounts designated for this service were reduced.

The planned training sessions for the last quarter did not occur primarily due to procurement delays which can be attributed to several reasons. Delays in obtaining the necessary approvals for the contracts and payments lead to a snowball effect on the planning and coordination required for successful training execution, thus the proposed training in the last quarter could not materialise and lack of in-house experts also contributed to the underexpenditure.

The furniture for the workshops could not be procured as the process was not completed due to unclear technical specifications. Consultants were not appointed to carry out feasibility study. The provided list was not updated as well as advertisement of consultants did not materialise.

The feasibility report from consultants to guide on works execution for Katutura hospital was not completed in time and hence payment could not be done.

Katutura Hospital is being renovated with caution as it is a live hospital (has patients). The availability of working place is restricted. The procurement process is cumbersome, hence delayed procurement process. However, bids were awarded and site handover was done, but late in the last part of the fourth quarter.

Main division 06 – Information Technology (N\$ 2 628 532.19 – 26.03%)

During the 2023/2024 mid-year review, the Information Technology division requested additional funds to procure computer equipment. After the requested funds were approved, the Ministry initiated the tendering process and awarded a tender. However, the supplier notified the Ministry only two days before the end of the financial year (2023/2024) that they were unable to deliver, resulting in the cancellation of the tender. As a result, there was underspending. The procurement of network goods and services was lower than initially anticipated.

Main division 07 – Stores (N\$ 1 590 738.89 – 4.74%)

The budget allocation for GIPF and Social Security exceeded the initial estimates, but could not be rectified as the expenditure only showed after the closing of the final virements requested. The underspending on leave gratuity is due to less payment of leave gratuity spent to staff members who went on retirement.

Underexpenditure on operational equipment machinery and plant were realized because the contractor responsible for delivering and installing air-conditioners at the Government store in Keetmanshoop experienced delays and could only complete the service in the 2024/2025 financial year.

The renovation of the Government store administration block in Windhoek was delayed due to the late approval of the project and prolonged completion time by the contractor, which resulted in the project being finalized in the 2024/2025 financial year.

Main division 08 – Garden Services (N\$ 750 140.42 – 7.32%)

The underexpenditure on remuneration is primarily attributed to the fact that only one (1) staff member retired in the 2023/2024 fiscal year. The reduction in S&T expenditure is a result of fewer trips being conducted during the 2023/2024 fiscal year. The underexpenditure on utilities can be attributed to courier charges as the Nampost courier account was closed. The decrease in general maintenance costs arised because of the landscaping project at parliament gardens and MWT head quarter hence the underexpenditure.

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

(i) Under-estimated

Miscellaneous (N\$ 1 625 417.18)

More revenue was collected for miscellaneous. It includes an amount of N\$ 100 605.01 for the 2023/2024 financial year, N\$ 14 691.74 for payroll, lost equipment and stores, journal import created amounting to N\$ 28 235. An amount of N\$ 137 700 for tender documents and unaccounted revenue of the OMAs amounted to N\$ 2 512 186.43.

Lease and letting (N\$ 9 916 790.74)

More revenue was collected under this revenue item due to more deductions being implemented on the IFMS. Additional revenue was collected from those who were found to occupy government quarters illegally has been charged an economical rent of less than N\$ 1 500.00, but not more than N\$ 3 500 per month in addition to the normal monthly rental fees for illegal occupation.

Sale of Government house (N\$ 6 001 582.00)

All revenue generated for the sale of Government houses was not deposited in the State Revenue account but in the alienation current account held at Nedbank, hence the variance.

Sale of tender documents (N\$ 433 556.00)

Fewer tenders were advertised than anticipated, hence the variance.

Obsolete worn-out and surplus (N\$ 1 779 889.80)

More auctions were conducted countrywide than anticipated.

2. GENERAL INFORMATION

2.1 Suspension

The Accounting Officer reported that an amount of N\$ 14 000 000.00 has been suspended during the financial year under review.

2.2 Miscellaneous revenue

The Accounting Officer reported miscellaneous revenue for the financial year under review as follows:

Description	Amount
	N\$
Revenue collected for the financial year	100 605.01
Lost equipment and stores	14 691.74
Journal import created	28 235.75
Unaccounted for revenue	2 512 186.43
Total	2 655 718.18

2.3 Revenue outstanding

The Accounting Officer reported revenue outstanding amounting to N\$ 16 592 882.15 as at 31 March 2024 because of decentralization. Ministries could no longer use ministerial votes to procure stock from Government stores where they use to buy on credit hence they had to be linked to the cash sale vote because there was no other vote they could be linked to.

2.4 Bank accounts

The Accounting Officer reported fifteen (15) bank accounts with closing balances as at 31 March 2024 as follows:

Account name	Closing balance as at 31 March 2024
	N\$
MWT Call account (Alienation of GRN houses)	538 613.98
MWT Current account (Alienation of GRN houses)	29 278 687.19
MWT Kavango Regional Council	140 224.98
MWT Khomas Region Council	12 558.23
MWT Zambezi Regional Council	375 157.91
MWT Omusati Regional Council	169 816.03
MWT Oshikoto Regional Council	149 633.09
MWT Ohangwena Regional Council	386 951.00
MWT Oshana Regional Council	206 625.91
MWT Otjozondjupa Regional Council	984 619.07
MWT Kunene Regional Council	776 237.51
MWT Omaheke Regional Council	2 572.00
MWT //Kharas Regional Council	1 849.21
MWT Hardap Regional Council	168 558.48
MWT Erongo Regional Council	1 201 987.60

2.5 Opening trade account – Government stores

The Accounting Officer reported a loss of N\$ 11 483 806.95 for the financial year ended 31 March 2024 as follows:

Description	Amount
	N\$
Opening balance – 01 April 2023	(31 982 870.46)
Plus: Income	119 900 558.10
Total Income	87 917 687.64
Less: Expenses	(116 235 507.43)
Loss for the year	(28 317 819.79)

2.6 Outstanding commitments

The Accounting Officer reported outstanding commitments as at 31 March 2024 due to insufficient funds as follows:

Main division	Amount
	N\$
01. Office of the Minister	157 783.68
02. Administration	125 311.33
03. Capital project management	1 066 363.55
04. Fixed asset management	14 539 495.43
05. Maintenance	478 259.81
08. Garden Services	24 173.76
051. Trade account -Government Stores	778 154.03
Total	17 169 541.59

2.7 Outstanding subsistence advances

The Accounting Officer reported an outstanding balance of N\$ 1 273 270.86 in respect of ninety-six (96) cases as at 31 March 2024. An amount of N\$ 1 233 402.63 was reported as recovered during April to September leaving a balance of N\$ 39 868.22 still to be recovered.

2.8 Fixed property sold

The Accounting Officer reported a total amount of N\$ 12 676 534.74 from thirty-eight (38) fixed properties alienated during the financial year under review.

2.9 Movable property transferred within Government

The Accounting Officer reported six (6) movable properties transferred with a total value of N\$ 1 165 000.00. to NAMPOL, with the necessary Treasury approval.

2.10 Debt to the Government

The Accounting Officer reported total outstanding debt to the Government amounting to N\$ 760 172.64 as at 31 March 2024.

2.11 Annual stocktaking

The Accounting Officer reported that stocktaking was conducted at sixty-eight (68) stock points and the values are noted below:

Description	Amount
	N\$
Value of stock	167 368 406.09
Surpluses	929 817.61
Shortage/deficiencies	62 092.81
Obsolete/Worn out items	8 004 491.30

2.12 Stores and depots

The Accounting Officer reported value of stock amounting to N\$ 145 376 279.47 at fifty-seven (57) stores and depots at 31 March 2024.

2.13 Vehicles

(i) Own fleet

The Accounting Officer reported two (2) sedans and five (5) pick-ups/combies and seven (7) other type of vehicles with a total value of N\$ 2 747 108.04 on hand for the year ended 31 March 2024.

(ii) Permanently allocated

The Accounting Officer reported permanent allocated vehicles on hand as at 31 March 2024 with a combined value of N\$ 83 679 197.28 as follows:

Vehicle type	Number
Sedan	51
Pick – ups combies	199
Heavy vehicles (Lorries tractors & busses)	14
Other	15

2.14 Vehicles – Cost of repairs

The Accounting Officer reported the following regarding the cost of repairs:

Details	No. of vehicles	Amount
		N\$
Vehicles to be repaired at 01 April 2023	25	454 973.89
Accidents reported	7	22 999.77
Vehicles repaired 31 March 2024	(3)	(81 300.00)
Vehicles still to be repaired as at 31 March 2024	29	396 673.66

2.15 Losses and damages through irregularities

(i) Persons employed by Government

The Accounting Officer reported fifteen (15) cases of losses through irregularities with a total value of N\$ 38 055.15 of which seven (7) are on vehicles accidents, six (6) cases are for stolen official cell phones and two (2) cases of lost items.

(ii) Losses/Damages through unavoidable causes

The Accounting Officer reported three (3) cases of theft amounting to N\$ 152 725.31.

2.16 Asset register

The Accounting Officer reported assets in the following regions:

Region	Number of fixed assets
Erongo	390
Hardap	682
//Karas	853
Kavango East	453
Kavango West	252
Khomas	907
Kunene	413
Ohangwena	498
Omaheke	122
Omusati	1 302
Oshana	702
Oshikoto	592
Otjozondjupa	741
Zambezi	340
Total	8 247

2.17 Suspense accounts

The Department had the following outstanding balances on twelve (12) suspense accounts as at 31 March 2024 of which seven (7) had debit balances and five (5) had credit balances:

Description	Balance as at 31 March 2024 Debit/(Credit)
	N\$
Equipment trade account	608.00
Stores trade account	28 317 819.79
Petty cash	50.00
RD cheques	419 625.36
S&T advance suspense account	1 677 690.84
Rejection account	(90 937.56)
Bills payable	(5 979 920.89)
Electronic fund transfer clearing account (EFT)	(39 760.92)
Social Security	(81.00)
Pension Funds: (GIPF)	30.34
Nampost savings bank	(50.00)
Debt establishment	4 686.85

2.18 Capital projects

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

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
Upgrading of network infrastructure and expansion of IT services to regional offices	N\$ 22 697 000	N\$ 19 603 556.12	N\$ 759 000	N\$ 584 101.26	N\$ 20 187 657.38	31/03/2030
Government Offices photo-voltaic and electrification installation	56 851 000	27 264 595.16	1 092 000	-	27 264 595.16	31/03/2030
Extension/upgrading and construction of the regional offices and workshop	84 000 000	48 053 974.69	750 000	500 000	48 553 974.69	31/03/2030
Infrastructure Investigations	2 835 000	-	700 000	-	-	31/03/2027
Upgrading of Ministerial Headquarter	103 418 000	50 870 663.00	3 570 000	394 257.06	51 264 920.06	30/03/2030
Property assessment study and maintenance asset management	21 222 000	-	300 000	-	-	31/03/2030
Renovation of Government stores	143 399 000	4 272 721.60	790 000	35 780.92	4 308 502.52	31/03/2030
Rehabilitation upgrade and re-construction of oxidation ponds of sewer system	147 543 000	51 001 789.42	500 000	-	51 001 789.42	31/03/2030
Renovation of State hospitals	63 490 190 000	-	40 000 000	8 455 015.78	8 455 015.78	31/03/2028
Ongoing renovation and minor capital renovation	108 535 000	96 353 578.72	22 539 000	8 872 607.33	105 226 186.05	31/03/2030
Rehabilitation of infrastructure and upgrading of exist specialised installation	80 000 000	58 658 017.89	5 000 000	4 967 385.42	63 625 403.31	31/03/2030
Total	64 260 690 000	356 078 896.60	76 000 000	*23 809 147.77	379 888 044.37	

*An amount of N\$ 200 281.94 was made from a default account without any budget. Total development budget differs with standard subdivision.

WINDHOEK, 23 AUGUST 2024

ESTHER N. KAAPANDA
ACCOUNTING OFFICER