



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
**MINISTRY OF SPORT, YOUTH AND
NATIONAL SERVICE**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Published by authority

Price (Vat excluded) N\$ 39.00

Report no: 25/2022

REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Ministry of Sport, Youth and National Service 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
1.4.1.3	Receipts suspense	2
1.5.2	RISK MANAGEMENT POLICY	3
1.5.3	DISASTER RECOVERY PLAN (DRP)	4
1.5.4	IT STEERING COMMITTEE	4
3.6	CONCLUSION ON THE SUBJECT MATTER	8
1.	AUDITED FINANCIAL STATEMENTS	10
1.1	APPROPRIATION ACCOUNT	10
1.2	STANDARD SUBDIVISIONS	11
1.3	DEPARTMENTAL REVENUE	12
1.4	NOTES TO THE FINANCIAL STATEMENTS	12
1.4.1	Appropriation account: Explanations of variations exceeding 2% between the authorized and actual expenditure	12
2.	GENERAL INFORMATION	13
2.2.1	Vehicles on hand (own fleet)	13
2.2.2	Motor vehicle accidents	13
2.3	POINTS KEEPING STOCK AND ANNUAL STOCKTAKING	13
2.4	LIVESTOCK	13
2.5	OUTSTANDING SUBSISTENCE ADVANCES	13
2.6	INTERNAL INSPECTIONS	14
2.7	BANK ACCOUNTS	14
	THE ACCOUNTING OFFICER REPORTED THE FOLLOWING BANK ACCOUNTS DURING THE FINANCIAL YEAR UNDER REVIEW:	14
2.8	SUBSIDIES BY GOVERNMENT	14
2.9	SUSPENSE ACCOUNTS	14

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 specified.

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). 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.

ABBREVIATIONS

MOSYNS	Ministry of Sport, Youth and National Services
IFMS	Integrated Financial Management System
ISSAI	International Standards of Supreme Audit Institutions
INTOSAI	International Organisation of Supreme Audit Institutions

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF SPORT, YOUTH AND NATIONAL SERVICE
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 Ministry of Sport, Youth and National Service for the financial 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, notes to the financial statements and general information for the financial year then ended.

In my opinion, the financial statements of the Ministry of Sport, Youth and National Service as at 31 March 2021 are prepared, in all material respects, in accordance with Section 12 & 13 of the State Finance Act, 1991 (Act 31 of 1991) and relevant legislation.

1.2 BASIS FOR 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 INTOSAI Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there were no key audit matters to communicate in my report.

1.4 EMPHASIS OF MATTERS

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

1.4.1 Suspense accounts

1.4.1.1 Outstanding subsistence advances

The DSA Debit balance list reflects outstanding subsistence advances amounting to N\$ 116 266.76 at 31 March 2021 whereas the S&T advance suspense account reflects a closing balance of N\$ 229 261.30 as at 31 March 2021, which gives an unexplainable difference of N\$ 112 994.54.

It is recommended that the Accounting Officer should ensure that reconciliations are conducted to avoid unexplained differences.

Management comment

The Accounting Officer indicated that the Ministry reconciled some suspense accounts and the exercise is still underway and therefor the variances will also be reconciled during the 2021/2022 financial year.

1.4.1.2 Bills payable

The Bills payable suspense account has debit balance of N\$ 79 643.68.

The Accounting Officer should ensure that reconciliations are conducted to avoid unexplained balances.

Management comment

The Accounting Officer indicated that the debit balance emanated from balances transferred from the former Ministry of Higher Education and is irreconcilable due to lack of supporting documents. The Ministry of Finance undertook to clear all balances.

1.4.1.3 Receipts suspense

The receipt suspense account reflects a credit balance of N\$ 909 791.78 which means that all the revenue received and deposited have not been allocated and disclosed in the revenue ledger under the respective revenue heads hence revenue is understated in the financial statements.

Therefore, it is recommended that the Accounting Officer should ensure that measures are put in place that revenue collected is allocated timely to the respective revenue heads.

Management comment

The Accounting Officer indicated that the Nampost account closure caused that regional offices could not send the receipts to Head Office in time. Therefore, revenue allocation for the year under review was only done during April and May 2020.

1.4.1.4 Uncleared suspense accounts

The following two (2) suspense accounts had balances whereas these funds were supposed to have been transferred to GIPF and the Social Security Commission respectively:

Suspense account	Balance as at 31 March 2021
Social Security	N\$ (32 961.27)
Pension Funds: GIPF	(21 040.38)

It is recommended that the Accounting Officer should provide an explanation for these balances and also explain why the amounts were not paid over to the mentioned institutions.

Management comment

The Accounting Officer indicated that the Ministry took note of the recommendation and steps will be taken to avoid the occurrence of similar omissions in future.

1.4.2 Virements

The following virements at the undermentioned main divisions as reflected in the Appropriation Account, do not agree with the virement as approved by Treasury:

Main division	Approved virement	Virement as per Appropriation account	Difference
	N\$	N\$	N\$
01. Office of the Minister	568 410	646 824	(78 414)
02. Administration	1 906 431	1 829 618	76 813
03. Youth Development, Training and Employment	2 738 790	(2 740 391)	1 601

It is recommended that the Accounting Officer should ensure that amounts requested for virementation are not utilized until approval is granted by Treasury and that virements in the General Ledger agree with those approved by Treasury.

Management comment

The Accounting Officer indicated that the Ministry took note of the recommendation and steps will be taken to avoid the occurrence of similar omissions in future.

1.5 OTHER MATTERS

Attention is drawn to the management on the following matter that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Ministry of Sport, Youth and National Service for in the financial statements. My opinion is not modified in respect of these matters:

1.5.1 Audit Committee

The audit found that the Ministry does not have an established Audit Committee to oversee the internal audit matters that were raised. The primary purpose of a Ministry's audit committee is to provide oversight of the financial reporting process, the audit process, the Ministry's system of internal controls and compliance with laws and regulations.

It is recommended that the Accounting Officer should cause for the establishment and appointment of an Audit Committee for the Ministry.

Management comment

The Accounting Officer in his response on the management letter, indicated that the finalisation of the nomination and subsequent appointment of members of the Audit Committee for the Ministry was put on hold on 16 November 2021 on the instruction of the Director: Government Internal Audit and Policy Coordination at Treasury, pending clarity issued by Treasury to O/M/A's on the criteria for the establishment of Audit Committees in O/M/A's.

1.5.2 Risk Management Policy

The audit noted that management has not come up with a documented risk management policy to provide information and guidance on Risk Management. Risk Management is a process of identifying, assessing, managing and controlling risks within an organization and it is aimed at providing guidance regarding the management of risk to support the achievement of the Ministry's objectives, protect staff and the Ministry's assets and ensure financial stability.

It is recommended that the Accounting Officer should develop a Risk Management Policy in order to manager risks in the Ministry.

Management comment

In his response on the management letter, the Accounting Officer indicated that the Ministry has managed to draft the Policy but it is currently in a draft format.

1.5.3 Disaster Recovery Plan (DRP)

The audit noted that the Accounting Officer has not yet come up with an approved disaster recovery plan to provide information and guidance in the event of disaster.

It is recommended that the Accounting Officer should indicate the progress made on the development and implementation of the Disaster Recovery Plan.

Management comment

In his response on the management letter, the Accounting Officer indicated that the DRP has been drafted but not yet approved and implemented.

1.5.4 IT Steering Committee

The audit found that the Ministry did not establish an IT Strategic Committee. The primary purpose of an IT Steering Committee is to provide strategic direction for IT-related projects. An IT Steering Committee is a group of high-level stakeholders who are tasked with establishing an institution's IT priorities, as well as a governance framework to support these projects and initiatives.

It is recommended that the Accounting Officer should establish and implement the IT Strategic Committee for the Ministry.

Management comment

In his response on the management letter, the Accounting Officer indicated that an IT Steering Committee has not been established as the Information and Communication Technology policy has not yet been approved and implemented.

SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

2.1 COMPLIANCE TO LAWS AND REGULATIONS

SUBJECT MATTER: Financial performance and the use of appropriated funds

I have audited the financial performance and the use of appropriated funds of the Ministry of Sport, Youth and National Service for the financial year ended 31 March 2021.

2.2 Description of the subject matter information and audit scope

The audit aimed to determine whether the Ministry of Sport, Youth and National Service 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 the Public Procurement Regulations during the financial year ended 31 March 2021. This audit is an attestation engagement where the Ministry 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.

2.3 Audit objective

The objective of this compliance audit is to verify and assess whether the Ministry of Sport, Youth and National Service has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs.

In addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

2.4 Audit criteria

The audit criteria of this compliance audit are derived from the following laws and regulations stated below:

Appropriation Act, 2020 (Act 4 of 2020);
Appropriation Amendment Act, 2020 (Act 8 of 2020);
State Finance Act, 1991 (Act 31 of 1991);
Public Procurement Act, 2015 (Act 15 of 2015);
Treasury Instructions; and
Public Procurement Regulations.

2.5 Summary of methods applied

I have audited the financial statements for the financial year ended 31 March 2021 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 BASIS FOR AUDIT OPINION

2.6.1 Unauthorized expenditure

The following unauthorised expenditure occurred during the financial year and is hereby reported as such in terms of Section 27 (6) (a) of the Act, for the year under review:

- (i) The total budget of the Ministry was overspent with an amount of N\$ 1 975 018.65. This amount is unauthorized in terms of Section 6 (a)(i) of the State Finance Act, 1991.

- (ii) All four (4) main divisions are exceeded with a total amount N\$ 1 975 018.65. This amount is unauthorized in terms of Section 6 (a) (ii) of the State Finance Act, 1991.
- (iii) Although Treasury authorization was obtained to utilize certain expected savings for the defrayal of expenditure by way of virements during the year, thirteen (13) operational subdivisions were exceeded by a total amount of N\$ 2 201 256.68. These excesses are 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 Ministry on a continuous basis to enable better financial control to take appropriate action timeously to avoid unauthorized expenditure.

Management comment

The Accounting Officer illustrated that the overspending is mainly on personnel expenditure because there are no controls on personnel expenditure and it is not possible to postpone salary related expenditure.

2.6.2 Annual stocktaking

Conducting annual stocktaking is a mandatory obligation that ought to be carried out annually in terms of Treasury Instruction KA 0901. Contrary, during the financial year under review, the Ministry only conducted stocktaking at nine (9) stock points out of forty two (42) stock points.

- (i) The Accounting Officer reported incorrect stock values and obsolete/worn-out figures, thus resulting in unexplained differences as follows:

Stock point	Stock value as per Accounting Officer	Stock value as per stock report	Difference	Obsolete/Worn -Out as per Accounting Officer	Obsolete/Worn -Out as per stock report	Difference
	N\$	N\$	N\$	N\$	N\$	N\$
Okahao Youth Skills Training Centre	137 454.97	146 857.67	(9 402.70)	-	597.30	597.30
Omusati Multi-Purpose Youth Resource Centre	556 921.16	256 921.16	300 000.00	-	2 024.00	2 024.00

It is recommended that the Accounting Officer should ensure that stock taking is conducted at all stock points as required by Treasury Instructions and should also ensure that documents submitted for audit purposes are factually correct.

Management comment

The Accounting Officer indicated that the administrative directive from Office of the Prime Minister restricted staff from Head Office to do stock taking in the regions. Some regions lack capacity to conduct stock taking despite being trained.

2.7 QUALIFIED OPINION ON THE SUBJECT MATTER

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the Ministry of Sport, Youth and National Service financial performance and 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), Treasury Instructions, Public Procurement Regulations, Appropriation Act, 2020 (Act 4 of 2020) and Appropriation Amendment Act, 2020 (Act 8 of 2020).

3. AUDIT OF PERFORMANCE INFORMATION

I have audited the performance information of the Ministry of Sport, Youth and National Service for the financial year ended 31 March 2021.

3.1 Description of the subject matter information and audit scope

A Performance Management System (PMS) is defined as a systematic process for achievement and improvement in obtaining results from an organisation 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 general public.

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of the Ministry of Sport, Youth and National Service and the 2017-2022 Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives.

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

3.3 Audit criteria

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

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

3.4 Summary of methods applied

The auditors reviewed the Strategic Plan, Annual Plan and Annual Performance Report to confirm whether the Strategic Plan objectives, targets and KPIs have been correctly cascaded to the Annual Plan and the selected

key performance indicators for the year under review are reported in the Directorates quarterly reports and Annual Performance Report.

3.5 Selected key performance indicators

The following two (2) key performance indicators from the Directorate of Sport and Youth were the selected key performance indicators from the 2020/2021 Annual plan.

STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATORS
Promote sport development in Namibia	# of Teachers and Sport Officers trained in Integrated Physical Education and School Sports Manual.
Enhance youth empowerment	% of Progress made on the Implementation of Youth Agriculture project.

3.6 Conclusion on the subject matter

The audit found a satisfactory outcome on both performance indicators tested.

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 & 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, Public Procurement Regulations, Appropriation Act, 2020 (Act 4 of 2020) and Appropriation Amendment Act, 2020 (Act 8 of 2020) and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

My power and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under Section 25 (1) (c), and section 27 (3) of the State Finance Act, (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions, Public Procurement Regulations, Appropriation Act, 2020 (Act 4 of 2020) and Appropriation Amendment Act, 2020 (Act 8 of 2020). I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

6. GENERAL INFORMATION

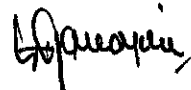
The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 31 October 2021 in terms of Section 13 of the State Finance Act, 1991.

7. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Ministry of Sport, Youth and National Service during the audit is appreciated.

WINDHOEK, MARCH 2022


JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2020/2021			Variations		2019/2020	
Service	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percent-age	Actual expenditure	
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Minister:						
Original budget	3 824 000.00					
Plus: Virement	646 824.00					
Less: Suspension	(420 228.00)	4 050 596.00	4 059 206.53	(8 610.53)	(0.21)	3 820 414.53
02. Administration:						
Original budget	73 432 000.00					
Plus: Virement	1 829 618.00					
Less: Suspension	(17 692 718.24)	57 568 899.76	58 454 211.23	(885 311.47)	(1.54)	85 011 667.76
03. Youth Development, Training and Employment:						
Original budget	184 350 000.00					
Less: Virement	(2 740 391.00)					
Less: Suspension	(16 616 845.29)	164 992 763.71	165 238 935.00	(246 171.29)	(0.15)	157 422 703.00
04. National Heritage and Culture:	-	-	36 538.55	(36 538.55)	-	-
06. Sporting, Promotion and Support:						
Original budget	45 254 000.00					
Plus: Virement	263 949.00					
Less: Suspension	(5 752 208.47)	39 765 740.53	40 564 127.34	(798 386.81)	(2.01)	40 767 139.28
Total:		266 378 000.00	268 353 018.65	(1 975 018.65)	(0.74)	287 021 924.57

ANNEXURE A (continue)

1.2 Standard subdivisions

Subdivision	2020/2021			2019/2020
	Authorized expenditure N\$	Actual expenditure N\$	Under-expenditure/ (Excess) N\$	Actual expenditure N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	99 587 097.61	101 021 425.85	(1 434 328.24)	105 293 271.09
002. Employer's contribution to GIPF	12 287 772.00	12 362 245.18	(74 473.18)	12 899 999.15
003. Other conditions of service	2 931 025.00	3 530 256.15	(599 231.15)	3 366 771.63
004. Improvement of remuneration structure	-	-	-	0.03
005. Employers contribution to the social security	404 731.00	404 197.90	533.10	420 316.88
Total	115 210 625.61	117 318 125.08	(2 107 499.47)	121 980 358.78
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	916 000.00	815 676.27	100 323.73	2 263 276.19
022. Materials and supplies	1 956 406.00	1 956 403.69	2.31	812 490.92
023. Transport	1 372 594.00	1 372 593.76	0.24	4 198 060.90
024. Utilities	14 274 873.22	14 331 391.18	(56 517.96)	27 398 513.54
025. Maintenance expenses	1 822 097.68	1 822 097.43	0.25	7 541 346.37
026. Property rental and related charges	2 120 378.29	2 120 377.42	0.87	1 842 155.76
027. Other services and expenses	13 567 122.20	13 555 330.17	11 792.03	12 129 320.90
038. Consultancy fees	-	-	-	1 743 679.54
040. Security contracts	-	-	-	13 570 544.65
Total	36 029 471.39	35 973 869.92	55 601.47	71 499 388.77
Current expenditure: membership fees and subscriptions				
041. Membership fees: international	300 000.00	300 000.00	-	779 763.94
043. Government organizations	9 296 000.00	9 269 850.05	26 149.95	-
044. Individual and non-profit organizations	92 600 000.00	92 617 998.50	(17 998.50)	-
049. Support for non-profit organization	-	-	-	9 276 805.95
053. Subsidies for state owned enterprises	-	-	-	78 404 860.00
Total	102 196 000.00	102 187 848.55	8 151.45	88 461 429.89
Total: Operational expenditure	253 436 097.00	255 479 843.55	(2 043 746.55)	281 941 177.44
Development:				
Capital expenditure: Acquisition of assets				
115. Feasibility studies, design and supervision	2 826 536.00	2 825 430.58	1 105.42	1 745 268.11
117. Construction, renovation and improvement	10 115 367.00	10 047 744.52	67 622.48	3 335 479.02
Total: Development expenditure	12 941 903.00	12 873 175.10	68 727.90	5 080 747.13
GRAND TOTAL	266 378 000.00	268 353 018.65	(1 975 018.65)	287 021 924.57

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate 2020/2021	Actual revenue 2020/2021	More/(Less) than estimated	Actual revenue 2019/2020
	N\$	N\$	N\$	N\$
Miscellaneous	3 000	159 345.21	156 345.21	3 400.00
Sport stadiums	50 000	15 950.00	(34 050.00)	62 030.17
Youth centres	1 000 000	92 364.83	(907 635.17)	1 114 741.00
Total	1 053 000	267 660.04	(785 339.96)	1 180 171.17

1.4 Notes to the financial statements**1.4.1 Appropriation account: Explanations of variations exceeding 2% between the authorized and actual expenditure****Over-expenditure****Main division 06: Sport Promotion: (N\$ 798 386.81-2.01%)**

The overspending has been recorded on personnel expenditure and it is attributed to the under estimation of expenditure that resulted in the virement of funds from this expenditure categories to other areas to balance expected shortfalls.

1.4.2 Departmental revenue: Explanations of variations exceeding N\$ 200 000**Overestimation****Youth centres (N\$ 907 635.17)**

The demand for the Youth Centre has declined a great deal due to the current economic situation and the state of the Ministry's facilities. Due to the declining demand a variance of N\$ 907 635.17 was recorded.

2. GENERAL INFORMATION

2.1 Development projects

The following were the development projects of the Ministry for the year under review:

Project name	Approved total budget	Total expenditure at 31/03/2020	Approved appropriation 2020/2021	Actual expenditure 2020/2021	Total expenditure at 31/03/2021	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of Frans Dimbare Intergrated Rural Youth Development Centre	35 181 000.00	7 000 517.93	4 065 187.00	4 060 309.66	11 060 827.59	31/03/2022
Construction of Swakopmund Multi-Purpose Youth Resource Centre	6 000 000.00	-	2 023 464.00	2 023 463.50	2 023 463.50	31/03/2022
Construction of Enhana Sport Complex	70 158 000.00	39 625 048.92	5 126 716.00	5 063 560.75	44 688 609.67	31/03/2022
Construction of Ministerial Head Quarter	301 000 000.00	37 419 038.57	1 726 536.00	1 725 841.19	39 144 879.76	31/03/2022
	412 339 000.00	84 044 605.42	12 941 903.00	12 873 175.10	96 917 780.52	

2.2 Vehicles on hand (own fleet)

The Accounting Officer reported that the Ministry had one hundred and nine (109) vehicles valued at N\$ 51 010 000.00 as at 31 March 2021.

2.3 Motor vehicle accidents

The Accounting Officer reported five (5) vehicle accidents for the year under review and further reported that two (2) motor vehicles were repaired at a total cost of N\$ 141 339.66.

2.4 Points keeping stock and annual stocktaking

The Accounting Officer reported forty two (42) points for annual stocktaking. Annual stocktaking was conducted at only nine (9) points and no stocktaking was conducted at thirty three (33) stock points. The following were found during the stocktaking:

Description	Amount
	N\$
Value of stock	6 530 950.26
Surplus	-
Shortages/Deficits	-
Worn-out/Damaged	-
Obsolete/Redundant	2 695.00

2.5 Livestock

The Accounting Officer reported forty three (43) livestock with a total value of N\$ 222 000.00 at Berg Aukas Rural Development Centre as at 31 March 2021.

2.5 Outstanding subsistence advances

The Accounting Officer reported thirty-six (36) cases of outstanding subsistence advances amounting to N\$ 116 266.76 as at 31 March 2021.

2.6 Internal inspections

The Accounting Officer reported nine (9) out of sixty one (61) internal informal inspection conducted by the Ministry, which were classified as unsatisfactory.

2.7 Bank accounts

The Accounting Officer reported the following bank accounts during the financial year under review:

Account name	Bank name	Balance as at 31 March 2021
		N\$
Children of the Liberation Struggle	Bank Windhoek	53 392.96
Commonwealth Youth Credit Initiative	First National Bank	330 213.85
Commonwealth Youth Credit Initiative (Social Security)	First National Bank	981 521.18

2.8 Subsidies by Government

The Accounting Officer reported an amount of N\$ 101 557 850.05 paid in respect of subsidies as follows:

Institution	Amount
	N\$
National Youth Service	69 561 000.00
National Youth Council	22 700 000.00
Namibia Sports Commission	9 296 850.05
Total	101 557 850.05

2.9 Suspense accounts

The Ministry had the following outstanding balances on ten (10) suspense accounts at 31 March 2021 of which five (5) had debit and five (5) had credit balances:

Description	Balance as at 31 March 2021 Debit/Credit
	N\$
Receipt suspense	(909 791.78)
RD cheques	121 911.92
S&T advance suspense account	229 261.30
Rejection account	(88 591.77)
Bills payable	79 643.68
Electronic Fund Transfer clearing account (EFT)	(185 996.40)
Social Security	(32 961.27)
Pension Funds: GIPF	(21 040.38)
First National Bank (Windhoek)	10 938.07
Debt establishment	1 133.34

WINDHOEK, 2021-10-29

Dr. AUDRIN MATHE
ACCOUNTING OFFICER