



**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 2023**

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**REPUBLIC OF NAMIBIA**



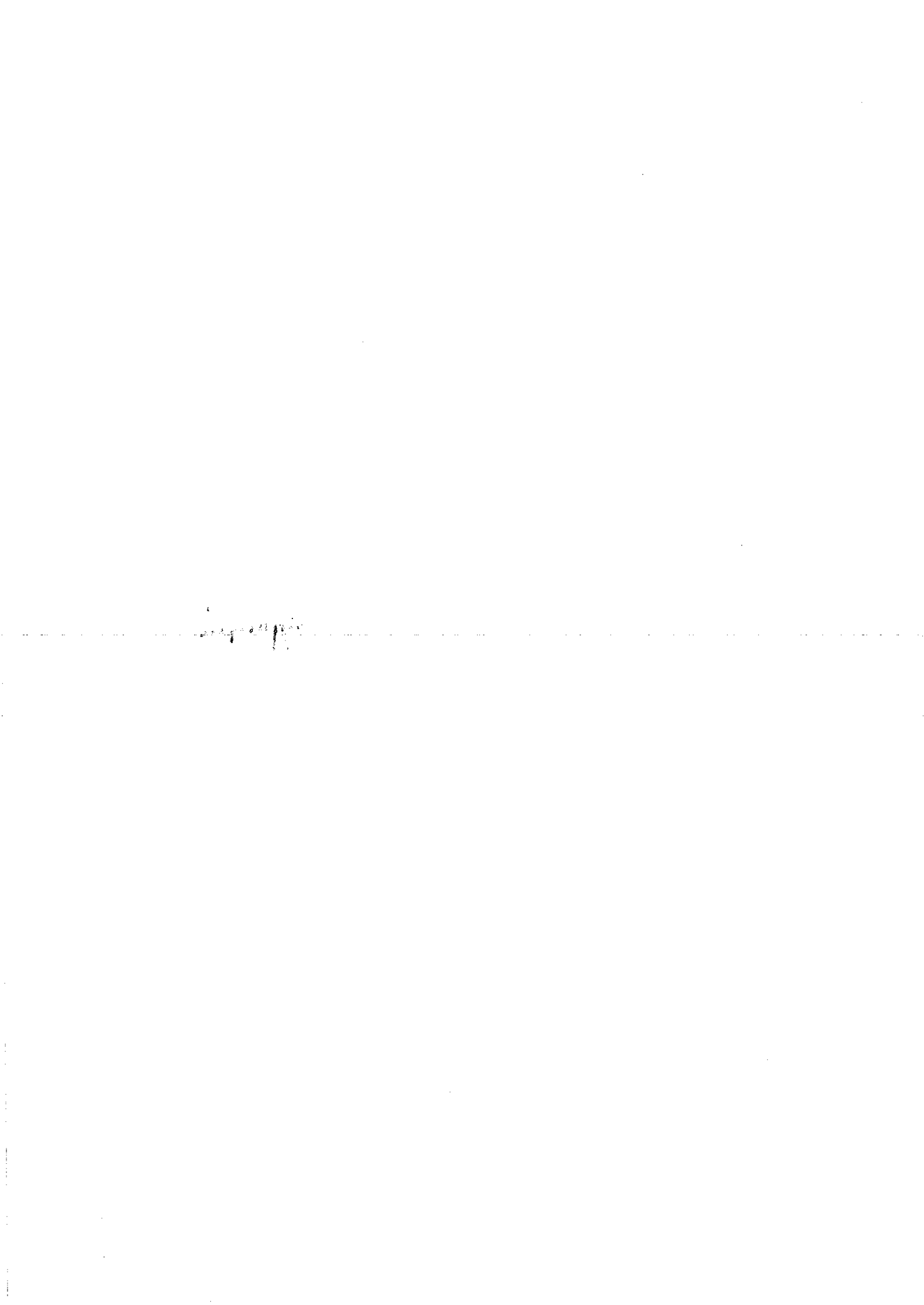
**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the Ministry of Sport, Youth and National Service for the financial year ended 31 March 2023 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 2024**

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

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



## DEFINITIONS

<b>Treasury:</b>	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
<b>Vote:</b>	Represents an Office/Ministry/Agency.
<b>Appropriation Act:</b>	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
<b>Appropriation Account:</b>	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.
<b>Standard sub-division:</b>	Government Balance account, showing balances incurred on each account/activity.
<b>Suspension:</b>	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
<b>Virement:</b>	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.
<b>Unauthorised Expenditure:</b>	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
<b>Under expenditure:</b>	Saving on the budget.
<b>Miscellaneous Revenue:</b>	All revenue collected and not having a specified revenue code.
<b>Tender Board Exemptions:</b>	To free from an obligation (Tender Board Regulations) to which others are subjected.
<b>Commitments:</b>	Funds reserved to acquire goods or services from a supplier.
<b>Suspense accounts:</b>	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.
<b>S&amp;T Advance Suspense Account:</b>	A suspense account reflecting the outstanding subsistence and travel advances.



<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>Direct reporting engagement</b>	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.
<b>Attestation engagement</b>	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.
<b>Subject matter</b>	Refers to the information, condition or activity that is measured or evaluated against certain criteria.

#### **ABBREVIATIONS**

MOSYNS

Ministry of Sport, Youth and National Service

IFMS

Integrated Financial Management System

ISSAI

International Standards of Supreme Audit Institutions

INTOSAI

International Organisation of Supreme Audit Institutions





# 1. Table of Contents

1.	SECTION A: FINANCIAL AUDIT .....	1
1.1	UNQUALIFIED AUDIT OPINION .....	1
1.2	BASIS FOR UNQUALIFIED AUDIT OPINION.....	1
1.3	KEY AUDIT MATTERS.....	1
1.4	EMPHASIS OF MATTERS.....	1
1.4.1	Suspense Accounts .....	2
1.4.1.1	Bills payable .....	2
1.4.1.2	Receipts suspense .....	2
1.4.1.3	Uncleared suspense accounts.....	3
1.5	OTHER MATTERS .....	3
1.5.1	Audit committee .....	3
1.5.2	Risk Management Policy.....	4
1.5.3	Disaster Recovery Plan (DRP) .....	4
1.5.4	IT Strategic Committee.....	4
1.6	OTHER INFORMATION.....	5
2.	SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION .....	5
2.1	COMPLIANCE TO LAWS AND REGULATIONS.....	5
2.2	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE .....	5
2.3	AUDIT OBJECTIVE .....	5
2.4	AUDIT CRITERIA.....	6
2.5	SUMMARY OF METHODS APPLIED.....	6
2.6	BASIS FOR AUDIT OPINION .....	6
2.6.1	Unauthorized expenditure.....	6
2.7	UNQUALIFIED OPINION ON THE SUBJECT MATTER.....	7
3.	AUDIT OF PERFORMANCE INFORMATION .....	7
3.1	Description of the subject matter information and audit scope.....	7
3.2	Audit objective .....	7
3.3	Audit criteria.....	8
3.4	Summary of methods applied .....	8
3.5	Selected key performance indicators .....	8
3.6	KEY AUDIT FINDINGS .....	9
3.7	CONCLUSION ON THE SUBJECT MATTER.....	9
4.	RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS.....	10
5	AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS .....	10
6.	GENERAL INFORMATION .....	12
7.	ACKNOWLEDGEMENT.....	12
1.	AUDITED FINANCIAL STATEMENTS.....	13
1.1	APPROPRIATION ACCOUNT.....	13



1.2	STANDARD SUBDIVISIONS .....	14
1.3	DEPARTMENTAL REVENUE.....	15
1.4	NOTES TO THE FINANCIAL STATEMENTS .....	15
1.4.1	DEPARTMENTAL REVENUE: EXPLANATIONS OF VARIATIONS EXCEEDING N\$ 200 000.....	15
2.	GENERAL INFORMATION .....	16
2.1	CAPITAL PROJECTS .....	16
2.2	Vehicles on hand (own fleet).....	16
2.3	Vehicle accidents.....	16
2.4	POINTS KEEPING STOCK AND ANNUAL STOCKTAKING .....	16
2.5	OUTSTANDING SUBSISTENCE ADVANCES .....	16
2.6	INTERNAL INSPECTIONS .....	17
2.7	BANK ACCOUNTS .....	17
2.8	SUBSIDIES BY GOVERNMENT .....	17
2.9	SUSPENSE ACCOUNTS.....	18



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF SPORT YOUTH AND NATIONAL SERVICE  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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**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 2023 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 2023 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 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 Bills payable

Treasury Instruction FD0702 states that *“The Accounting Officer should keep auxiliary registers (superfluous) to enable the Ministry to reconcile the suspense accounts placed under their control with the respective ledger accounts”*. However, the Bills payable suspense account has a debit balance of N\$ 67 788.00.

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

#### **Management comment**

The Accounting Officer indicated that *“a suspense account may be used for various reasons, such as when there are discrepancies, errors or incomplete information in financial transactions. Instead of leaving these issues unresolved in the main ledger accounts, the entries are initially recorded in the suspense account to keep the books balanced”*.

### 1.4.1.2 Receipts suspense

The receipt suspense account reflects a credit balance of N\$ 1 437 680.09, which means that 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.

It is recommended that the Accounting Officer should ensure that revenue collected is allocated timely to the respective revenue heads.

#### **Management comment**

The Accounting Officer indicated that *“the balance in the receipt suspense account indicates that there are transactions related to funds received that cannot be precisely assigned to specific accounts at the time of entry. Regular reconciliations are conducted, but these reconciliations occur at the head office once revenue returns are received from the regions. Delays in the submission of returns from the regions contribute to an increase in unallocated amounts when funds are received.”*

*The amounts tend to increase when regions do not timely submit their returns. Despite the issuance of letters requesting monthly return submissions and stressing compliance, adhering to this process proves challenging for the regions. The sub-receivers in the regions, who are not accountants, juggle their regular duties with the responsibilities of receiving funds and preparing necessary reports”*.

### 1.4.1.3 Uncleared suspense accounts

The following suspense accounts had uncleared balances at 31 March 2023 whereas these suspense accounts should have zero balances at year end:

Suspense account	Balance as at 31 March 2023
	N\$
RD cheques	120 409.92
Rejection account	781 756.60
Electronic Fund Transfer Clearing Account (EFT)	(211 772.20)
Debt establishment	1 333.34

It is recommended that the Accounting Officer should ensure that reconciliations are conducted to avoid uncleared balances.

#### Management comment

The Accounting Officer indicated that *"in an ideal situation, accountants aim to clear the suspense account and resolve any outstanding issues before the end of the financial year. However, the specific circumstances in each case determines whether a zero balance is achievable"*.

## 1.5 OTHER MATTERS

Attention is drawn to the management on the following matters 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 function or work of the internal audit unit.

It is recommended that the Accounting Officer should ensure for the establishment and appointment of an Audit Committee for the Ministry and follow up with Treasury on the criteria for the establishment of an Audit Committee.

#### Management comment

The Accounting Officer indicated that *"the status of the Audit Committee remains the same. No clarity on the criteria for the establishment of Audit Committee has been issued by Treasury to O/M/A's"*.

### 1.5.2 Risk Management Policy

The audit found that the Ministry does not have a documented and approved Risk Management Policy in place.

It is recommended that the Accounting Officer should develop a Risk Management Policy in order to manage risks in the Ministry as a matter of urgency.

#### Management comment

The Accounting Officer indicated that *“approval has been given for the hiring of a consultant to formulate a risk management policy. The request has been forwarded to the procurement unit for the next steps. However, the procurement process has not commenced, it is anticipated that the consultant will only be appointed in the 2024/2025 financial year”*.

### 1.5.3 Disaster Recovery Plan (DRP)

The audit found that the Ministry does not have a Disaster Recovery Plan (DRP) in place.

It is recommended that the Accounting Officer should ensure that an approved Disaster Recovery Plan is implemented for the Ministry.

#### Management comment

The Accounting Officer indicated that the Disaster Recovery Plan can only be implemented once the ICT policy is fully implemented.

### 1.5.4 IT Strategic Committee

The primary purpose of an IT Strategic Committee is to provide strategic direction for IT-related projects. An IT Strategic 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. The audit found that the Ministry did not establish an IT Strategic Committee.

It is recommended that the Accounting Officer should ensure the establishment and implementation of an IT Strategic Committee for the Ministry.

#### Management comment

The Accounting Officer indicated that *“for the successful implementation of the ICT policy, it is imperative that all Ministerial staff undergo training or possess awareness of the policy's implications. The appointment of the IT Strategic Committee will only take place after the completion of training and full implementation of the policy. The commencement of this process is contingent upon the funding availability and is anticipated to begin in the upcoming financial years”*.



## **1.6 OTHER INFORMATION**

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. I have nothing to report in this regard.

## **2. 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 2023.

### **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, 2022 (Act 2 of 2022), Appropriation Amendment Act, 2022 (Act 7 of 2022), 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 2023. 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, 2022 (Act 2 of 2022);  
Appropriation Amendment Act, 2022 (Act 7 of 2022);  
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 2023 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) One (1) main division is exceeded with a total amount N\$ 27 786.13. This amount is unauthorized in terms of Section 6 (a) (ii) of the State Finance Act, 1991.
- (ii) Although Treasury authorization was obtained to utilize certain expected savings for the defrayal of expenditure by way of virements during the year, seven (7) operational subdivisions were exceeded with a total amount of N\$ 2 030 230.43. 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 indicated that “despite efforts to address the over-expenditure through timely virement requests, full implementation was hindered by a report restricted to the Ministry of Finance. The Ministry of Finance's Payroll Fund Check Report identified payroll minuses, prompting a deviation from the initial plan of virement based on the Funds Distribution Certificate. The Ministry of Finance, referencing the Payroll Fund Check Report, declined to transfer funds from Personal Expenditure to cover the minuses. An agreement was eventually reached not to proceed with the total virement request due to the Fund Check Report.

The challenge stemmed from difficulties in accurately estimating retirements, resignations, and deaths, causing deviations from initial projections. Various factors, including duration of service, position, and accrued leave days, contributed to increased payouts for leave gratuity”.

## **2.7 QUALIFIED OPINION ON THE SUBJECT MATTER**

In my opinion, except for the effects of the matter described in the Basis of Qualified 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, 2022 (Act 2 of 2022) and Appropriation Amendment Act, 2022 (Act 7 of 2022).

## **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 2023.

### **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 2022/2023 Annual plan:

STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATORS
<ul style="list-style-type: none"><li>• Promote sport development in Namibia</li><li>• Enhance youth empowerment</li></ul>	<ul style="list-style-type: none"><li>• Measure the number of regional sport programs implemented; and</li><li>• Measure the number of youth trained in entrepreneurship development.</li></ul>

### 3.6 KEY AUDIT FINDINGS

#### DIRECTORATE: DIRECTORATE OF SPORT

Indicator finding	Recommendation
<p># The number of regional sport programs implemented.</p> <ul style="list-style-type: none"> <li>• The quarterly target of Quarter 1 in the Annual plan was zero and the actual was zero.</li> <li>• The quarterly target of Quarter 2 in the Annual plan was 4 and the actual was 4.</li> <li>• The quarterly target of Quarter 3 in the Annual plan was 5 and the actual was 5.</li> <li>• The quarterly target of Quarter 4 in the Annual plan was 5 and the actual was 4.</li> </ul>	<p>The Accounting Officer should ensure that set targets are met.</p>

#### DIRECTORATE: DIRECTORATE OF YOUTH

Indicator finding	Comment
<p># The number of youth trained in entrepreneurship development.</p> <ul style="list-style-type: none"> <li>• The quarterly target of Quarter 1 in the Annual plan was zero and the actual was zero.</li> <li>• The quarterly target of Quarter 2 in the Annual plan was 125 and the actual was zero.</li> <li>• The quarterly target of Quarter 3 in the Annual plan was 50 and the actual was 50.</li> <li>• The quarterly target of Quarter 4 in the Annual plan was 50 and the actual was 1395.</li> </ul>	<p>The audit found a satisfactory outcome on three performance indicators tested.</p>

### 3.7 CONCLUSION ON THE SUBJECT MATTER

The audit revealed that the compliance with legislative requirements, completeness, presentation, timeliness, measurability, existence and accuracy criteria against the selected key performance indicators are satisfactory.

#### **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, Public Procurement Regulations, Appropriation Act, 2022 (Act 2 of 2022) and Appropriation Amendment Act, 2022 (Act 7 of 2022) 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, 2022 (Act 2 of 2022) and Appropriation Amendment Act, 2022 (Act 7 of 2022). 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**

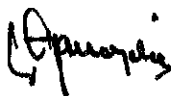
The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A.

The accounts were submitted timeously by the Accounting Officer to the Auditor-General on 31 August 2023 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 2024**

  
**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**



## ANNEXURE A

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2022/2023			Variations		2021/2022
Service	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percent -age	Actual expenditure
N\$	N\$	N\$	N\$	%	N\$
<b>01. Office of the Minister:</b>					
Original budget	3 980 000				
Additional budget	627 000				
Plus: Virement	163 000	4 770 000	4 681 074.83	1.86	3 573 682.60
<b>02. Administration:</b>					
Original budget	71 128 000				
Additional budget	1 833 500				
Plus: Virement	30 500 340	103 461 840	101 440 143.09	1.95	75 135 196.03
<b>03. Youth Development, Training and Employment:</b>					
Original budget	156 986 000				
Additional budget	1 833 500				
Plus: Virement	20 927 707	179 747 207	178 818 183.49	0.52	155 613 982.48
<b>04. Sporting, Promotion and Support:</b>					
Original budget	42 827 000				
Additional budget	213 000				
Plus: Virement	2 603 006	45 643 006	45 463 631.28	0.39	
<b>06. Sport:</b>					
Original budget	56 000 000				
Less: Virement	(54 194 053)	1 805 947	1 833 733.13	(1.54)	
<b>Total</b>		335 428 000	332 236 765.82	0.95	42 553 009.43

## ANNEXURE A (continue)

## 1.2 Standard subdivisions

Subdivision	2022/2023			2021/2022
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	104 185 196	100 590 779.30	3 594 416.70	99 574 923.81
002. Employer's contribution to GIPF.	11 849 967	11 821 485.46	28 481.54	12 044 865.77
003. Other conditions of service	2 728 793	4 722 077.43	(1 993 284.43)	3 796 765.00
005. Employers contribution to the social security	371 050	374 044.82	(2 994.82)	393 992.48
Total	119 135 006	117 508 387.01	1 626 618.99	115 810 547.06
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	3 660 000	3 273 719.46	386 280.54	1 761 725.77
022. Materials and supplies	1 193 507	1 148 017.17	45 489.83	1 432 947.99
023. Transport	1 957 644	1 953 354.64	4 289.36	50 353.13
024. Utilities	30 200 000	29 779 524.87	420 475.13	24 118 785.78
025. Maintenance expenses	2 210 596	2 210 593.42	2.58	2 004 802.77
026. Property rental and related charges	2 997 234	2 997 233.17	0.83	3 209 678.63
027. Other services and expenses	42 994 066	42 476 479.69	517 586.31	20 409 333.63
Total	85 213 047	83 838 922.42	1 374 124.58	52 987 627.70
<b>Current expenditure: membership fees and subscriptions</b>				
041. Membership fees: international	4 700 000	4 708 684.15	(8 684.15)	400 000.00
043. Government organizations	112 452 000	112 252 826.90	199 173.10	96 421 821.19
Total	117 152 000	116 961 511.05	190 488.95	96 821 821.19
<b>Total: Operational expenditure</b>	<b>321 500 053</b>	<b>318 308 820.48</b>	<b>3 191 232.52</b>	<b>265 619 995.95</b>
<b>Development:</b>				
<b>Capital expenditure: Acquisition of assets</b>				
115. Feasibility studies, design and supervision	2 000 000	2 000 000.00	-	-
117. Construction, renovation and improvement	11 927 947	11 927 945.34	1.66	9 226 874.59
131. Government organizations			-	2 029 000.00
<b>Total: Development expenditure</b>	<b>13 927 947</b>	<b>13 927 945.34</b>	<b>1.66</b>	<b>11 255 874.59</b>
<b>GRAND TOTAL</b>	<b>335 428 000</b>	<b>332 236 765.82</b>	<b>3 191 234.18</b>	<b>276 875 870.54</b>

## 1.3 Departmental revenue

Revenue for the financial year is as follows:

Revenue head	Estimate 2022/2023	Actual revenue 2022/2023	More/(Less) than estimated	Actual revenue 2021/2022
	N\$	N\$	N\$	N\$
Unclaimed cheques	-	-	-	300.00
Private telephone calls	-	36.60	36.60	-
Miscellaneous	160 000	584 145.60	424 145.60	56 320.65
Sport stadiums	16 000	9 350.00	(6 650.00)	150.00
Lease Independence Stadium	-	950.00	950.00	-
Youth centres	100 000	390 086.20	290 086.20	121 096.00
College of the Arts	-	-	-	50.00
Total	276 000	984 568.40	708 568.40	177 916.65

## 1.4 Notes to the financial statements

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

## Under-estimation

## Miscellaneous (N\$ 424 146.00)

The variance of N\$ 424 146.00 was as a result of the estimate of N\$ 160 000.00 which was based on the previous financial year's collection. Part of the revenue recorded also comprises revenue collected in previous financial years as a result of journals passed in the year under review.

ANNEXURE A (continue)

**2. GENERAL INFORMATION**

**2.1 Capital projects**

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

Project name	Approved total budget	Total expenditure at 31/03/2022	Approved appropriation 2022/2023	Actual expenditure 2022/2023	Total expenditure at 31/03/2023	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of Frans Dimbare Intergrated Rural Youth Development Centre	35 181 000	15 430 617.07	12 122 000.00	12 121 999.26	27 552 616.33	31/03/2024
Construction of Eenhana Sport Complex	70 158 000	48 588 609.67	1 805 947.00	1 805 946.08	50 394 555.75	31/03/2025
<b>Total</b>	<b>105 339 000</b>	<b>64 019 226.74</b>	<b>13 927 947.00</b>	<b>13 927 945.34</b>	<b>77 947 172.08</b>	

**2.2 Vehicles on hand (own fleet)**

The Accounting Officer reported that the Ministry had one hundred and five (105) vehicles valued at N\$ 49 876 000.00 as at 31 March 2023.

**2.3 Vehicle accidents**

The Accounting Officer reported five (5) vehicle accidents for the financial year under review.

**2.4 Points keeping stock and annual stocktaking**

The Accounting Officer reported forty-one (41) points for annual stocktaking. Annual stocktaking was conducted at forty (40) points and no stocktaking was conducted at one (1) stock point. The following were found during the stocktaking:

Description	Amount
	N\$
Value of stock	19 199 907.56
Worn-out/Damaged	31 241.00
Surpluses	4 192.39
Shortages	30 015.20

**2.5 Outstanding subsistence advances**

The Accounting Officer reported twenty-one (21) cases of outstanding subsistence advances amounting to N\$ 105 837.78 as at 31 March 2023.

## 2.6 Internal inspections

The Accounting Officer reported forty (40) out of sixty-one (61) internal inspections conducted by the Ministry, which were classified as satisfactory.

## 2.7 Bank accounts

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

Account name	Bank name	Balance as at 31 March 2023
Children of the Liberation Struggle	Bank Windhoek	N\$ 50 066.46
Commonwealth Youth Credit Initiative	First National Bank	3 396 564.70
Commonwealth Youth Credit Initiative ( Social Security)	First National Bank	193 578.86
Government To Government (G2G) Project	Bank Windhoek	3 045 073.11
BONA	Bank Windhoek	5 577 965.41

## 2.8 Subsidies by Government

The Accounting Officer reported an amount of N\$ 112 452 000.00 paid in respect of subsidies during the financial year under review as follows:

Institution	Amount
	N\$
National Youth Service	79 766 000
National Youth Council	20 913 000
Namibia Sports Commission	10 203 000
NSSU-IPES	1 570 000
Total	112 452 000

## 2.9 Suspense accounts

The Ministry had the following outstanding balances on seven (7) suspense accounts at 31 March 2023 of which five (5) had debit and two (2) had credit balances:

Description	Balance as at 31 March 2023 Debit/Credit
	N\$
Receipt suspense	(1 437 680.09)
RD cheques	120 409.92
S&T advance suspense account	141 604.98
Rejection account	781 756.60
Bills payable	67 788.00
Electronic Fund Transfer clearing account (EFT)	(211 772.20)
Debt establishment	1 333.34

WINDHOEK, 2023-08-09

**MBUMBA ERASTUS HAITENGELA**  
**ACCOUNTING OFFICER**