



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**  
**MINISTRY OF SAFETY AND SECURITY –**  
**DEPARTMENT OF POLICE**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

Published by authority

Price (Vat excluded) N\$25.91  
Report no: 80/2014

## 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 Safety and Security Department of Police for the financial year ended 31 March 2013 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, February 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## **Table of Contents**

1. INTRODUCTION	1
2. MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS	1
3. AUDITOR’S RESPONSIBILITY	1
4. AUDIT FINDINGS	2
4.1 EMPHASIS OF MATTER	2
4.1.1 Unauthorized expenditure	2
4.1.2 Suspense Accounts	2
5. UNQUALIFIED AUDIT OPINION	3
6. FINANCIAL STATEMENTS	4
6.1 Appropriation account	4
6.2 Standard subdivisions	5
6.3 Departmental revenue	6
6.4 Notes to the financial statements	6
6.4.1 Revenue: Explanations on variations exceeding N\$ 100 000	6
7. GENERAL INFORMATION	8
7.1 Capital Projects	8
7.2 Bursary and study assistance	11
7.3 Bank Accounts	11
7.4 Exemption from normal tender procedures	11

**REPORT OF THE AUDITOR-GENERAL  
ON THE ACCOUNTS OF THE MINISTRY OF SAFETY AND SECURITY  
DEPARTMENT OF POLICE FOR THE  
FINANCIAL YEAR ENDED 31 MARCH 2013**

---

## **1. INTRODUCTION**

This report on the accounts of Ministry of Safety and Security Department of Police for the financial year ended 31 March 2013 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991), as amended

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Ministry of Safety and Security Department of Police for the financial year ended 31 March 2013. These financial statements comprise the: Appropriation Account, Standard Subdivisions, Departmental Revenue, Miscellaneous Revenue, Expenditure Ledger for the year then ended, and notes to the financial statement and general information submitted.

The appropriation account was submitted to the Auditor-General in terms of Section 13 of the State Finance Act, Act 31 of 1991.

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

## **2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework 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.

## **3. AUDITOR'S RESPONSIBILITY**

My responsibility is to express an opinion on these financial statements based on our audit. I conducted our audit in accordance with International Standards for Supreme Audit Institutions. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

### **Powers and Duties**

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with
- b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b) (iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**4. AUDIT FINDINGS**

**4.1 EMPHASIS OF MATTER**

I draw attention to the following matters which relate to my responsibility in the audit of the financial statements

**4.1.1 Unauthorized expenditure**

The under mentioned unauthorized expenditure 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).

- (i) One (1) main division of the vote was exceeded by an amount totaling to N\$ 16 492 192.35 which is contrary to Section 6(a) (ii) of the State Finance Act.
- (ii) Although Treasury approval was obtained to utilize certain expected savings for the defrayal of excess expenditure by way of virements during the year, seven (7) subdivisions were exceeded by an amount of N\$ 20 438 167.40 which is unauthorized in terms of Section 6(a) (iii) of the Act.

**4.1.2 Suspense Accounts**

The Department had outstanding balances on five (5) suspense accounts. The following suspense accounts were in excess of N\$100 000:

<b>Description</b>	<b>Debit</b>	<b>Credit</b>
	N\$	N\$
Rejection Account	1 751 155.12	
S&T Advance Suspense Account	6 775 792.69	
Bills Payable		9 529 512.84
Special Field Force		924 784.18

It is recommended that regular reconciliations should be performed to reduce or clear high balances on all suspense accounts.

## **5. UNQUALIFIED AUDIT OPINION**

I certify that I have audited the financial statements of the Ministry of Safety and Security Department of Police for the financial year ended 31 March 2013 in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, 1991 (Act 31 of 1991).

In my opinion, the financial statements present fairly the receipts and payments of Vote 06 as at 31 March 2013 and in all material respects the receipts and payments have been applied to the purpose intended by the National Assembly and conform to the authorities which govern them.

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

**OFFICE OF THE AUDITOR-GENERAL**  
**123 Robert Mugabe Avenue**  
**Private Bag 13299**  
**WINDHOEK**  
**NAMIBIA**

## 6. FINANCIAL STATEMENTS

## 6.1 Appropriation account

Service	2012/2013				2011/2012	
	Authorized expenditure	Actual expenditure	Under expenditure / (excess)	Percentage	Actual expenditure	
	N\$	N\$	N\$	%	N\$	
<b>01. Administration:</b>						
Original budget	54 828 000					
Plus: Virement	3 556 655	58 384 655	57 871 196.10	513 458.90	0.88	55 368 670.73
<b>02. Combating of Crime:</b>						
Original budget	1 455 351 000					
Plus: Virement	65 683 457	1 521 034 457	1 537 526 649.35	(16 492 192.35)	(-1.08)	1378 415 239.08
<b>03. Training:</b>						
Original budget	107 985 000					
Plus: Virement	189 232	108 174 232	107 687 144.77	487 087.23	0.45	97 623 279.76
<b>04. Special Field Force:</b>						
Original budget	402 210 000					
Less: Virement	(87 325 480)	314 884 520	306 941 169.68	7 943 350.32	2.52	292 518 772.49
<b>05. VIP Security Division:</b>						
Original budget	215 852 000					
Plus: Virement	33 863 908	249 715 908	246 428 665.51	3 287 242.49	1.32	232 714 207.63
<b>06. Signal Unit:</b>						
Original budget	100 612 000					
Less: Virement	(2 984 152)	97 627 848	97 350 590.71	277 257.29	0.28	97 344 822.08
<b>07. National Forensic Science Institute:</b>						
Original budget	25 380 000					
Less: Virement	(12 983 620)	12 396 380	10 401 773.87	1 994 606.13	16.09	24 636 942.33
<b>Total</b>		<b>2 362 218 000</b>	<b>2 364 207 189.99</b>	<b>(1 989 189.99)</b>	<b>20.46</b>	<b>2 178 621 934.10</b>

## 6.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	1 397 599 092	1 387 512 653.46	10 086 438.54	1 303 174 412.60
002. Employer's contribution to staff's pension fund	172 520 881	187 918 468.25	(15 397 587.25)	163 322 589.82
003. Other conditions of service	10 735 000	11 584 556.61	(849 556.61)	7 210 695.94
<b>Total</b>	<b>1 580 854 973</b>	<b>1 587 015 678.32</b>	<b>(6 160 705.32)</b>	<b>1 473 707 698.36</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	75 310 192	74 311 708.13	998 483.87	76 430 828.92
022. Materials and supplies	114 289 384	113 739 538.54	549 845.46	115 273 610.38
023. Transport	123 092 305	123 010 752.04	81 552.96	103 445 710.59
024. Utilities	73 524 660	73 504 587.43	20 072.57	64 817 868.76
025. Maintenance expenses	4 857 453	4 844 928.57	12 524.43	3 735 594.77
026. Property rental and related charges	758 428	758 427.97	0.03	699 937.50
027. Other services and expenses	37 218 061	37 208 457.53	9 603.47	36 980 762.17
<b>Total</b>	<b>429 050 483</b>	<b>427 378 400.21</b>	<b>1 672 082.79</b>	<b>401 384 313.09</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
041. Membership fees and subscriptions: International	372 200	372 197.33	2.67	326 531.63
044. Individual and non-profit organisations	3 000 000	2 849 094.67	150 905.33	3 229 690.34
<b>Total</b>	<b>3 372 200</b>	<b>3 221 292.00</b>	<b>150 908.00</b>	<b>3 556 221.97</b>
<b>Total: Current expenditure</b>	<b>2 013 277 656</b>	<b>2 017 615 370.53</b>	<b>(4 337 714.53)</b>	<b>1 878 648 233.42</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	10 734 393	10 723 071.34	11 321.66	18 152 348.76
102. Vehicles	50 955 000	50 953 735.58	1 264.42	33 495 096.87
103. Operational equipment, machinery and plants	28 089 951	28 080 416.17	9 534.83	44 285 789.36
<b>Total</b>	<b>89 779 344</b>	<b>89 757 223.09</b>	<b>22 120.91</b>	<b>95 933 234.89</b>
<b>Total: Operational expenditure</b>	<b>2 103 057 000</b>	<b>2 107 372 93.62</b>	<b>(4 315 593.62)</b>	<b>1 974 581 468.31</b>
<b>Development</b>				
<b>Capital expenditure: Acquisition of assets</b>				
103. Operational equipment, machinery and plants	52 795 000	52 795 000.00	-	28 000 000.00
104. Purchases of buildings	-	-	-	6 157 000.00
107. Construction, renovation and improvement	206 366 000	204 039 596.37	2 326 403.63	169 883 465.69
<b>Total: Development expenditure</b>	<b>259 161 000</b>	<b>256 834 596.37</b>	<b>2 326 403.63</b>	<b>204 040 465.69</b>
<b>GRAND TOTAL</b>	<b>2 362 218 000</b>	<b>2 364 207 189.99</b>	<b>(1 989 189.99)</b>	<b>2 178 621 934.10</b>



### 6.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2012/2013	More/(Less) than estimated	Actual revenue 2011/2012
	N\$	N\$	N\$	N\$
Private telephone calls	675 000	856 871.30	181 871.50	753 676.55
Miscellaneous	300 000	737 888.15	437 888.15	2 095 077.83
Departmental fines	60 000	65 467.19	5 467.19	65 206.22
Lost equipment and stores	74 000	174 119.58	100 119.58	106 539.60
Sale of found property	-	550.00	550.00	630.20
Copies of plans	52 000	12 770.00	(39 230.00)	93 570
Traffic control	5 500 000	6 534 660.00	1 034 660.00	6 143 675.00
Unclaimed cheques	-	-	-	9 736 60
Lease/Letting of state land & building	-	-	-	(7 179.90)
Mortuary fees	19 100	15 090.00	(4 010.00)	11 454.00
<b>Total</b>	<b>6 680 100</b>	<b>8 397 416.22</b>	<b>1 717 316.22</b>	<b>9 272 386.10</b>

### 6.4 Notes to the financial statements

#### 6.4.1 Revenue: Explanations on variations exceeding N\$ 100 000

##### (i) Underestimated

##### Lost equipment and store damage

Many equipments lost and damaged were paid than anticipated.

##### Private telephone calls

More revenue on this item was received due to the fact that all money generated from copies of accident reports, statements of witnesses and copies of post mortem were allocated to this revenue head as there are no revenue head for these items

##### Traffic control

More applications for road worthy and certificates of competencies were received than expected.

##### Miscellaneous

More revenue was collected due to service rendered by the police helicopter, renting of Nampol training college hall and shooting range.

**6.4.2 Appropriation account: Explanations of variations of more than 2% between the authorized and actual expenditure.**

**(i) Underexpenditure**

**Main division 04: Police/Special Field Force (N\$ 7 943 350.32 - 2.52%)**

- The allocation on remuneration on this main division was more than personnel staff belonging to this main division.

**Main division 07: Police/Forensic Science Institute (N\$ 1 994 606.13 - 16.09%)**

- Vacant positions that were advertised for Scientist could not attract qualified candidates hence there is an underexpenditure on this main division.

## 7. GENERAL INFORMATION

### 7.1 Capital Projects

During the financial year under review the Ministry operated the following Development Projects:

Nature of project	Approved total budget	Total expenditure as at 31/03/2012	Approved appropriation 2012/2013	Actual expenditure 2012/2013	Total expenditure as at 31/03/2013	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Upgrading of police stations	435 267 000	246 454 522.41	50 308 000	56 676 739.45	303 131 261.86	On going
Housing, various centre	369 236 000	177 691 616.34	56 615 000	58 597 156.83	236 288 773.17	On going
Acquisition of helicopter, aircraft and equipment	157 100 000	111 083 910.23	56 000 000	52 795 000.00	163 878 910.23	Completion
Rehabilitation and renovations of police facilities	80 395 000	51 327 788.26	8 000 000	7 983 275.85	59 311 064.11	On going
PJ Kandu training centre	55 665 000	29 670 861.89	3 415 000	3 214 777.37	32 885 639.26	On going
Schlip Police Station	26 894 000	16 998 760.39	5 526 000	5 525 999.91	22 524 760.30	Completion
Kongola Class C Police Station	42 300 000	8 098 835.08	8 000 000	7 499 461.26	15 598 296.34	2013
Divundu Class C Police Station	14 830 000	8 098 215.61	7 000 000	6 216 305.72	14 314 521.33	2013
Oshifo Class C Police Station	14 830 000	6 826 108.46	7 000 000	6 996 998.90	13 823 107.36	2014
Onaandjaba Class C Police Station	21 814 000	3 989 748.57	11 320 000	10 319 032.82	14 308 781.39	2014
Coblenz Class C Police Station	15 173 000	7 171 167.10	7 000 000	3 799 665.97	10 970 833.07	2013

Nature of project	Approved total budget	Total expenditure as at 31/03/2012	Approved Appropriation 2012/2013	Actual Expenditure 2012/2013	Total Expenditure as at 31/03/2013	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Oshikango Class A Police Station	38 000 000	16 999 291.95	7 500 000	4 997 549.96	21 996 841.91	Completion
Okamatapati Class C Police Station	14 658 000	6 654 971.40	7 000 000	4 942 745.63	11 597 717.03	Ongoing
Eiseb Block Sub - Station	21 226 000	2 157 815.96	10 367 000	5 358 348.59	7 516 164.55	2014
Fuel Tank and Pump - Installation	32 000 000	6 988 960.51	4 000 000	2 748 069.31	9 737 029.82	On going
Oshikoto Regional Council	26 031 000	70 779.82	-	-	70 779.82	2017
Ondangwa Training Centre	61 273 000	2 645 135.77	3 624 000	3 564 875.43	6 210 011.20	On going
Police Cells Country wide- Construction Upgrade	75 000 000	5 000 000.00	5 000 000	3 681 290.90	8 681 290.90	On going
Israel Patrick Iyambo Police College	18 583 000	2 359 000.00	1 286 000	1 178 275.26	3 537 275.26	On going
Construction of Otjituuo Class C Police Station	15 700 000	5 195 481.92	6 500 000	5 998 475.05	11 193 956.97	2013
Otjomuise Class B Police Station	43 374 000	1 031 000.00	-	-	1 031 000.00	2016
National Police Headquarter – Additional Offices	59 439 000	4 297 000.00	5 142 000	2 704 123.94	7 001 123.94	2018
Omusati Regional Headquarter	29 160 000	803 611.23	-	-	803 611.23	2016
Caprivi Regional Headquarter	29 160 000	1 804 999.36	-	-	1 804 999.36	2016

Nature of project	Approved total budget	Total Expenditure as at 31/03/2012	Approved appropriation 2012/2013	Actual Expenditure 2012/2013	Total expenditure as at 31/03/2013	Expected Year of Completion
	N\$	N\$	N\$	N\$	N\$	
Hardap Regional Headquarter	29 160 000	804 999.40	-	-	804 999.40	2016
Omega Class C Police Station	33 588 000	425 989.61	-	-	425 989.61	2016
Okangwati Police Station - Construction	39 588 000	430 000.00	-	-	430 000.00	2016
Etayi Police Station – construction	33 588 000	430 000.00	-	-	430 000.00	2016
Ncaute Police Station	33 588 000	430 000.00	-	-	4 30 000.00	2016
Generator to all Police Stations	25 000 000	4 291 676.72	-	-	4 291 676.72	On going
Kuisebmond Police Station – Construction	32 037 000	-	-	-	-	2017
Maintenance of Property abroad	930 000	-	-	-	-	On going
Purchase of farms	38 594 000	-	-	-	-	On going
Construction of Karasburg Police Station	-	3 007 999.03	-	2 042 394.39	-	
<b>Total</b>	<b>1 944 616 583.00</b>	<b>730 232 247.99</b>	<b>270 603 000.00</b>	<b>254 798 168.15</b>	<b>985 030 416.14</b>	

## 7.2 Bursary and study assistance

The Ministry funded hundred and six (106) staff members with a total amount of N\$ 715 418.14 for their studies in the current financial year.

## 7.3 Bank Accounts

<b>Name of bank account</b>	<b>Bank statement balance as at 31 March 2013</b>
High Commission of the Republic of Namibia (Pretoria, South Africa)	N\$ 153 827.14
Traffic Law Enforce Support	N\$ 5 706 857.78
Namibia Police Forensic	N\$ 83 715.64
High Commission of Republic of Namibia (Harare, Zimbabwe)	UD\$ 25 743.80
Namibian Police Force Account ( Ondjiva, Angola)	AKZ 96 595.62

## 7.4 Exemption from normal tender procedures

<b>Description</b>	<b>Tender Board Reference</b>	<b>Approved amount</b>	<b>Actual Amount</b>
		N\$	
Goods and Services	E1/23 – 2/2012	249 278 000.00	219 585 402.23
Prepared meals	E1/23 – 3/2012	350 000.00	374 971.76
Mess Dress Uniform	E1/23 – 4/2012	536 200.00	393 841.66
Purchasing of baseball caps	E1/23 – 5/2012	219 000.00	265 126.75
	E1/23 – 5/2012	280 002.00	-
Sport equipment	E1/23 – 6/2012	975 000.00	592 324.00
Purchasing of safe	E1/23 – 9/2012	752 112.00	864 900.28
Household Furniture for the Inspector General	E1/23 – 12/2012	58 450.00	56 998.00
Purchase of parabellum Shoes blouses	E1/23 –2012	1 006 714.00	999 350.00
		<b>253 455 478</b>	<b>223 132 914.68</b>

WINDHOEK, 13-12-2013

**DR N. ANGOLO**  
**ACCOUNTING OFFICER**