



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

DEPARTMENT OF TRANSPORT OF THE MINISTRY OF WORKS AND TRANSPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Department of Transport in the Ministry of Works and Transport 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, SEPTEMBER 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS
OF THE DEPARTMENT OF TRANSPORT OF THE
MINISTRY OF WORKS AND TRANSPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

1. INTRODUCTION

This report on the accounts of the Department of Transport of the Ministry of Works and Transport 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 Department of Transport of the Ministry of Works and Transport for the year ended 31 March 2013. These financial statements comprise the Appropriation Account, Standard Subdivisions, Departmental Revenue, Miscellaneous Revenue for the year then ended, and notes to financial statement and general information submitted.

The appropriation accounts were submitted to the Auditor-General in terms of Section 13 of the State Finance Act, 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 Sections 12 and 13 of the State Finance Act, 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.

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 (ISSAI's). 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 MATTERS

I draw attention to the following matters:

4.1.1 Underexpenditure

The total budget was underspend with an amount of N\$ 118 090 590.52 (4.73%).

It is recommended that the Accounting Officer put measures in place to avoid underexpenditure and ensures that planned projects are implemented.

4.1.2 Unauthorised Expenditure

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, three (3) sub-divisions were exceeded with a total amount of N\$ 1 150 931.86 which is unauthorised in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer implement budgetary control measures to avoid unauthorised expenditure.

4.1.3. Bank Accounts

The Accounting Officer reported closing balances as at 31 March 2013. However, these amounts differ from bank statements as follows:

Account Name	Closing Balance as per bank statement as at 31/03/2013	Closing balance as reported by the Accounting Officer 31/03/2013
	N\$	N\$
Northern Railway Extension Fund	44 460.90	44 540.90
Aeronautical Fees	18 162 200.09	18 162 200.09
MWT Falcon 7X	10 418 453.95	10 280 301.77
MWT Acquisition of Vehicle for POB's	15 160 687.71	15 108 439.42
MWT Air Namibia Account	-	457 610.40

It is recommended that the Accounting Officer should submit correct information as required by Circular D12/2010 of the Auditor-General.

4.1.4 Virements

The following virements at the respective main divisions as reflected in the Appropriation Account do not agree with the virements approved by Treasury.

Main division	Appropriation Accounts	Authorised Virements	Difference
	N\$	N\$	N\$
01 Government Garage	(2 123 401)	-	(2123 401)
02 Transportation Infrastructure	(182 165 213)	(45 000 000)	(137 213)
04 Transportation Policy and Regulation.	(2 212 497)	-	(2 212 497)
05 Civil Aviation Infrastructure	284 954 095	105 277 140	179 676 955
06 Maritime Affairs	(13 406 013)	10 000 000	(23 406 013)
07 Meteorological Services	(12 544 973)	(50 300 000)	(2 567 833)
08 Government Air Transport Services.	(63 701 998)	(9 977 140)	(13 401 998)
09 Aircraft Accident Investigations.	1 200 000	-	1 200 000

It is recommended that the Accounting Officer should ensure that the approved virements in the Appropriation Account agree with those approved by Treasury.

4.1.5 Tender Board Exemptions

The Accounting Officer reported on the following approved Tender Exemptions from normal tender procedures. However, the amount provided differs from the approved Tender Exemptions as follows:

Description	Amount approved 2012/2013	Amount reported by the Accounting Officer	Difference
	N\$	N\$	N\$
Materials and supplies	684 920	648 000	36 920
Transport (Hiring of Vehicles)	750 220	355 820	394 400
Utility	1 893 000	2 078 000	(185 000)
Maintenance expenses	26 741 443	29 626 000	(2 884 557)
Other services and expenses	13 694 132	28 460 000	(14 765 868)
Membership Fees and Subscription International	1 129 000	1 156 900	(24 000)
Operational Equipment, Machinery and Plant	96 000	1 272 250	(1 176 250)
Claims against the State	9 750 000	10 030 000	(280 000)
Total	54 738 715	73 623 070	(18 884 355)

Furthermore, the actual expenditure incurred under the annual exemption could not be verified as the supporting documents could not be provided for audit verification.

Reference number	Description	Estimated value	Actual expenditure	Difference less/(more)
		N\$	N\$	N\$
E1/15-01/2012	Travel and subsistence	3 500 000	1 008 627.73	2 491 372.27
	Material and Supplies	2 395 000	988 493.26	1 406 506.74
	Transport	7 059 000	4 016 231.63	3 042 768.37
	Utilities	1 700 000	2 118 991.33	(418 991.33)
	Maintenance expenses	2 750 000	1 039 546.09	1 710 453.91
	Other services and expenses	25 000 000	5 576 101.13	19 423 898.87
	Furniture and Office equipment	500 000	1 209 519.78	(709 519.78)
		42 904 000	15 957 510.95	26 946 489.05

It is recommended that the Accounting Officer should submit the supporting documentation for actual expenditure incurred for audit purposes as required by Circular D12/2010 of the Auditor-General.

4.1.6 Suspense Accounts

The Accounting Officer reported eight (8) suspense accounts with outstanding balances at the end of the financial year, of which three (3) with debit and five (5) with credit balances.

The following suspense accounts had balances exceeding N\$ 100 000 on 31 March 2013:

Description	Debit/(Credit)
	N\$
Government Garage Trade Account	(197 586 673.31)
Air Transport Services Trade Account	25 066 733.97
Aeronautical fees	(247 023 202.24)
S&T Advance Suspense Account	1 223 392.52
GRN Garage Vehicle Replacement Account	(16 591 499.99)
Bills Payable	(2 262 947.84)
Electronic Fund Transfer Clearing	(4 833 503.86)

It is recommended that the Accounting Officer should take all necessary steps to clear the balances on the accounts.

4.1.7 Non-submission of Financial Statements

The Accounting Officer did not submit the following annual report statements as required by Circular D12/2010 of the Auditor-General which resulted in scope limitation:

Statement Number	Statement
24	Aircraft
38.1	Losses through irregularities
38.1.1	Persons employed by the Government
38.1.2	Persons outside the Government
38.2	Other losses
41.1	Securities

Furthermore, the Accounting Officer did not submit the bank statements as supporting documentation of statement number eleven (11).

It is strongly recommended that the Accounting Officer ensures that all required information is submitted as required by Circular D12/2010 of the Auditor-General.

4.1.8 Operating/Trade Account – Government Garage Trade Account

The Accounting Officer did not provide the vouchers to verify the correctness of the income and expenditure statements as reported below:

Expenditure		Income	
	N\$		N\$
Opening balance 01/04/2012	(70 986 943.37)		
Operating expenditure	121 091 997.44	Operating income	247 691 727.38
Surplus/(Loss)	197 586 673.31		
	247 691 727.38		247 691 727.38

It is recommended that the Accounting Officer submits the supporting documentation as required by Circular D12/2010 of the Auditor-General.

5. ACKNOWLEDGEMENT

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

6. BASIS FOR QUALIFIED AUDIT OPINION

- 6.1 Non-submission of annual report statements: Paragraph 4.1.7
- 6.2 Non-submission of Bank Statements: Paragraph 4.1.3
- 6.3 Non-submission of Vouchers: Paragraph 4.1.8

7. QUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Department of Transport of the Ministry of Works and Transport, for the 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, 31 of 1991.

In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the financial statements fairly represent the receipts and payments of Vote 24 for the year ended 31 March 2013, and in all material respects the receipts and payments have been applied for the purposes intended by the National Assembly and conform to the authorities which govern them.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

OFFICE OF THE AUDITOR-GENERAL
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Private Bag 13299
WINDHOEK
NAMIBIA

8. FINANCIAL STATEMENTS

8.1 Appropriation account

		2012/2013			2011/2012	
Service	N\$	Authorised expenditure N\$	Actual expenditure N\$	Variations		Actual expenditure N\$
				Under-expenditure/ (Excess) N\$	Percent- age %	
01. Government Garage:						
Original budget	144 833 000					
Less: Virement	(2 123 401)	142 709 599	125 031 969.02	17 677 629.98	12.39	127 487 652.99
02. Transportation Infrastructure:						
Original budget	966 208 000					
Less: Virement	(182 165 213)	784 042 787	746 954 475.58	37 088 311.42	4.73	1 168 306 601.96
03. Railway Infrastructure Management:						
Original budget	284 781 000					
Less: Virement	(10 000 000)	274 781 000	258 970 327.05	15 810 672.95	5.75	437 965 577.19
04. Transportation Policy and Regulation:						
Original budget	34 710 000					
Less: Virement	(2 212 497)	32 497 503	30 137 374.13	2 360 128.87	7.26	63 485 973.06
05. Civil Aviation Infrastructure:						
Original budget	792 138 000					
Plus: Virement	284 954 095	1 077 092 095	1 074 473 121.13	2 618 973.87	0.24	244 932 754.07
06. Maritime Affairs:						
Original budget	39 925 000					
Less: Virement	(13 406 013)	26 518 987	24 917 035.57	1 601 951.43	6.04	36 754 876.52
07. Meteorological Services:						
Original budget	48 539 000					
Less: Virement	(12 544 973)	35 994 027	24 282 631.73	11 711 395.27	12.54	24 040 150.20
08. Government Air Transport Services:						
Original budget	178 629 000					
Less: Virement	(63 701 998)	114 927 002	86 431 048.42	28 495 953.58	24.79	133 773 310.28
09. Aircrafts Accident Investigation:						
Original budget	4 918 000					
Plus: Virement	1 200 000	6 118 000	5 392 426.85	725 573.15	11.86	3 981 455.32
Total:		2 494 681 000	2 376 590 409.48	118 090 590.52	4.73	2 240 728 351.59

ANNEXURE A (continued)

8.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	118 962 615	107 265 773.88	11 696 841.12	92 487 315.95
002. Employer's contribution to staff's pension fund	11 209 000	10 906 591.66	302 408.34	9 263 405.62
003. Other conditions of service	3 856 000	1 580 999.91	2 275 000.09	879 312.41
Total	134 027 615	119 753 365.45	14 274 249.55	102 630 033.98
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	18 837 000	15 571 772.12	3 265 227.88	11 227 489.62
022. Materials and supplies	4 161 100	3 818 693.36	342 406.64	1 725 793.78
023. Transport	81 120 000	66 673 671.94	14 446 328.06	51 761 975.57
024. Utilities	7 022 000	5 661 714.00	1 360 286.00	5 608 984.12
025. Maintenance Expenses	47 253 257	46 772 534.34	480 722.66	42 502 456.07
026. Property rental and related charges	77 000	75 492.25	1 507.75	1 247 404.47
027. Other services and expenses	33 270 900	31 184 267.34	2 086 632.66	37 903 978.99
Total	191 741 257	169 758 145.35	21 983 111.65	151 978 082.62
Current expenditure: Membership fees and subscriptions				
041. International	1 962 000	1 817 287.23	144 712.77	2 281 373.11
042. Domestic	1 000	-	1 000.00	-
Total	1 963 000	1 817 287.23	145 712.77	2 281 373.11
Current expenditure: Membership fees and subscriptions				
043. Government organisations	910 953 669	910 952 669.00	1 000.00	45 159 829.78
044. Individuals and non-profit organisations	80 000	51 447.50	28 552.50	78 395.50
045. Public and departmental enterprises and private industries	30 000	9 645.50	20 354.50	9 627.38
Total	911 063 669	911 013 762.00	49 907.00	45 247 852.66
Total: Current expenditure	1 238 795 541	1 202 342 560.03	36 452 980.97	302 137 342.37
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	398 000	206 387.21	191 612.79	518 830.62
102. Vehicles	62 987 002	39 148 445.44	23 838 556.56	119 074 755.57
103. Operational equipment, machinery and plant	1 204 429	557 585.18	646 843.82	116 166.55
Total	64 589 431	39 912 417.83	24 677 013.17	119 709 752.74
Capital transfers				
121. Government organizations	1 328 000	1 314 443.34	13 556.66	2 000 000.00
122. Individuals and non-profit organisations	1 000 000	1 000 000.00	-	1 000 000.00
123. Public and departmental enterprises and private industries	21 000 000	21 000 000.00	-	31 000 000.00
Total	23 328 000	23 314 443.34	13 556.66	34 000 000.00
Total: Capital expenditure	87 917 431	63 226 861.17	24 690 569.83	153 709 752.74
Total: Operational expenditure	1 326 712 972	1 265 569 421.20	61 143 550.80	455 847 095.11

ANNEXURE A (continued)

Standard subdivisions (continued)

Subdivision	2012/2013			2011/2012
	Authorised expenditure	Actual expenditure	Under-expenditure (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Development				
Capital expenditure: Acquisition of assets				
022. Materials and supplies	78 000 000	71 183 574.19	6 816 425.81	230 814 222.74
Total	78 000 000	71 183 574.19	6 816 425.81	230 814 222.74
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	-	-	-	239 628.24
103. Equipment, machinery and plant	32 997 711	27 943 239.37	5 054 471.63	49 855 840.03
104. Purchase of buildings	900 000	877 909.30	22 090.70	273 391.33
105. Feasibility studies, design and supervision	54 460 730	44 217 255.20	10 243 474.80	55 425 911.70
106. Purchase of land and intangible assets	2 000 000	1 994 837.79	5 162.21	889 400.96
107. Construction, renovation and Improvement	243 054 689	235 049 342.92	8 005 346.08	222 917 400.62
Total	333 413 130	310 082 584.58	23 330 545.42	329 601 572.88
Capital transfers:				
131. Government organizations	756 554 898	729 754 829.51	26 800 068.49	1 224 465 460.86
Total	756 554 898	729 754 829.51	26 800 068.49	1 224 465 460.86
Total: Development expenditure	1 167 968 028	1 111 020 988.28	56 947 039.72	1 784 881 256.48
GRAND TOTAL	2 494 681 000	2 376 590 409.48	118 090 590.52	2 240 728 351.59

8.3 Departmental revenue

Revenue for the financial year is summarised as follows:

Revenue heading	Estimate	Actual revenue 2012/2013	More/(Less) than estimated	Actual revenue 2011/2012
	N\$	N\$	N\$	N\$
Aeronautical fees and charges for DCA	392 433	572 763.28	180 330.28	571 209.00
Road Transportation Board	819 529	844 875.00	25 346.00	886 498.54
Validation of licences (Non-Aeronautical-DCA)	21 595	17 944.00	(3 651.00)	22 327.50
Services rendered to Ministries	4 138	3 900.00	(238.00)	7 600.00
Examination fees for seamen	23 555	18 794.00	(4 761.00)	15 775.00
Lost equipment and stores	-	3 038.21	3 038.21	-
Miscellaneous	499 241	618 564.70	119 323.70	1 275 844.22
Total	1 760 491	2 079 879.19	319 388.19	2 779 254.26

8.4 Notes to the financial statements

8.4.1 Appropriation account: Explanations of variations exceeding 2% between the authorised and actual expenditure.

(i) Underexpenditure

Main division 01 – Government Garage (N\$ 17 677 629.98 – 12.39%)

The variance was as a result of vacancies that were not filled during the said financial year. The Government Garage will abolish some vacancies to create crucial positions as per the Proposed Restructuring of the Government Garage. Because of fewer staff members that were recruited, the division underspend on Personnel Expenditure. The underexpenditure was experienced because some suppliers could not deliver the vehicles before the end of the financial year and slow tendering processes contributed to the under spending. The underexpenditure on S&T allowance and fuel expenses was due to the fact that some of the claims and invoices were only submitted for payment in the new financial year. The whole amount for the renovation and upgrading of the Government Garage premises was not spend because contractors could not be appointed before the end of the financial year.

Main division 02 – Transportation Infrastructure (N\$ 37 088 311.42 – 4.73%)

The under spending was because the Directorate had advertised most of its key technical positions. However, by the end of the financial year under review they were not filled yet. The variance was as a result of shortage of technical staff in the directorate, which contributed towards the underexpenditure, because in most cases the Director was the only one visiting critical projects and attending to international obligations. The underspending was mainly experienced on the development budget for roads construction and upgrading for the designing of DR 3624: Etomba – Omundaungilo (75km) was put on hold while awaiting completion of clearing of unexploded ordinance on the ground. The project cycle is long partly as a result of the procurement process. Implementation of MR 67: Omakange – Ruacana (99km), Omafo – Ongenga – Outapi were delayed by the finalization of financing arrangement with China's EXIM BANK. Detailed design for Omakange – Ruacana (99km) road were completed and approved in June 2012, but up to the end of the financial year 2012/13 there was nothing going on while awaiting the financial arrangement to be concluded. The decision made by the Ministry of Finance not to transfer funds to the Road Fund Administration (RFA) resulted in underspending because the Ministry of Works and Transport (MWT) does not have the manpower to handle the magnitude of projects payment, the demining in certain parts of the country slowed down the project implementation process. The cumbersome process of handling virements also delayed the timely processing of virements, which caused payment not to be paid on time. Late invoices which were carried over to the next financial year 2013/2014 (March 2013 invoices), design stage report submission date / schedule was beyond the closing / end of the financial year 2012/2013, hence the claim was only submitted in the 2013/14 financial year.

Main division 03 – Railway Infrastructure Management (N\$ 15 810 672.95 – 5.75%)

The variance on the budget on personnel expenditure is as a result of unfilled vacancies and associated operational expenses. The under spending resulted from fewer meetings which took place and hosting of delegations of the Trans-Kalahari Joint Technical meeting on railway at a random basis between Namibia and Botswana. The underspending was mainly experienced on the development budget on railway infrastructure as a result of strikes in neighbouring countries which delayed delivery of construction materials. Contractors' performances were below standard at times which led to litigations and legal challenges on certain tenders.

Main division 04 – Transportation Policy and Regulation (N\$ 2 360 128.87 – 7.26%)

The under spending was due to vacancies for Deputy Director positions within the Directorate which were filled during the second quarter of the year. The under spending was due to invoices from the Government stores and Government Garage that were only received during the financial year 2013/2014. The Daily Substance Allowances (DSA) rate was mostly used for domestic obligations such as attending courses, there were less foreign missions because of postponements and cancellations which also resulted in the under spending in the training that did not take place.

The under spending was for funds reserved for two laptops for the Directorate which could not be delivered on time before the financial year ended 31 March 2013.

Main division 06 – Maritime Affairs (N\$ 1 601 951.43 – 6.04%)

The underexpenditure on personnel expenditure was because of vacancies that could not be filled on time due to the bureaucratic recruitment system. As a result of vacancies within the Directorate it was underspend as funds earmarked for certain trips could not be utilized. Invoices for Government Stores and Government Garage were not paid because they were submitted late. Less training took place. Membership fees is very difficult to predict because they are payable in foreign currencies and are dependent on exchange rate fluctuations and the Directorate did not subscribe to any service whatsoever hence the under spending of the membership item. Fewer break-downs on equipment were reported resulting in fewer repairs being done on equipment during the financial year. The underexpenditure on the development budget for the construction of the Walvis Bay headquarters is because of the cumbersome tendering process. The tender was awarded late in December 2012 and construction could only begin in January 2013, hence the underexpenditure.

Main division 07 – Meteorological Services (N\$ 11 711 395.27 – 12.54%)

Vacancies could not be filled as no suitable candidates were found. Some S&T claims were submitted late before the closure of the financial year and could not be processed on time. Some creditors failed to submit their invoices on time. The under spending on vehicles was due to Government Garage invoices that could not be paid. The under spending on the development budget is due to the delay on the construction of the Rundu, Katima Mulilo weather offices due to poor workmanship. This delay affected the procurement of operational equipment's for the constructed offices.

Main Division 08 – Government Air Transport Services (N\$ 28 495 953.58 - 24.79 %)

The under-spending on salaries were caused by unfilled vacant positions, some interviews were conducted but were still in the security vetting process. The department found it difficult to attract qualified candidates because of unattractive remuneration offered by the Public Sector. Funds under sub-division 102 could not be fully utilized for the intended purpose because the negotiation with the suppliers to replace the Learjet and two Eurocopter AS 350B could not be finalized during the said financial year; therefore funds were transferred to other votes to carry out their official activities. The under-spending on Subsistence and Travelling (S&T), is because most trips depend on VIP movement therefore it is necessary to have a positive balance on this vote as some trips are unexpected. The maintenance item under-spend was due to the submission of late invoices from the foreign companies and also by the early closing date for foreign payment set by the Ministry of Finance.

Main division 09 – Aircrafts Accident Investigations (N\$ 725 573.15 – 11.86%)

The posts of Deputy Director: Aircrafts Accident Investigation and Aircraft Accident Investigator could not be filled during the financial year under review, hence their remuneration, cellphone, housing and car allowance could not be utilized. Fewer domestic trips undertaken resulted in the Subsistence and Travelling (S&T) underexpenditure. Outstanding aircraft accident investigation and transportations of aircraft component including engine tear down invoices were not received thus the payment could not be done accordingly.

Membership fees are very difficult to predict because they are payable in foreign currencies and are depended on exchange rate fluctuations. Quite a number of investigators equipment could not be bought during the financial year under review because most of the modern and proper equipment that were not available in Namibia. In many occasions, the Directorate of Aircrafts Accident Investigation (DAAI) spending, is based on unforeseen circumstances based on a number of aircraft accidents and incidents occurring during the financial year, and it resulted in underexpenditure. Domestic aircraft rental was not utilized that financial year.

8.4.2 Departmental revenue: Explanations of variations exceeding N\$ 100 000.

(i) Under-estimated

Aeronautical fees, charges for DCA and Non-Aeronautical fees

More revenue was collected for the period, because of more registrations of new aircrafts and issuance of pilot licenses.

Miscellaneous revenue

Miscellaneous revenue was under-estimated, it is difficult to determine as it includes any other unlisted revenue e.g. collections from vessel fees, repayments from previous financial years, and this revenue also depends on the number of vessels fishing in the Namibian waters.

9. GENERAL INFORMATION

9.1 Bank Accounts

The Accounting Officer reported the following closing balances as at 31 March 2013:

Account Name	Banking institution	Closing balance as reported by the Accounting Officer 31/03/2013
		N\$
Northern Railway Extension Fund	First National Bank	44 540.90
Aeronautical Fees	Standard Bank	18 162 200.09
MWT Falcon 7X	Standard Bank	10 280 301.77
MWT Acquisition of Vehicle for POB's	Standard Bank	15 108 439.42
MWT Air Namibia Account	Standard Bank	457 610.40

(See paragraph 4.1.3)

9.2 Operating/Trade Account – Government Garage Trade Account

The profit and loss account for the Government Garage trade account for the year ended 31 March 2013 is as follows:

Expenditure		Income	
	N\$		N\$
Opening balance-01/04/2012	(70 986 943.37)	Operating income	247 691 727.38
Operating expenditure	121 091 997.44		
Surplus/(Loss)	197 586 673.31		
	247 691 727.38		247 691 727.38

(See paragraph 4.1.8)

9.3 Operating/Trade Account – Government Air Transport Services

The profit and loss account for the Government Air Transport Services trade account for the year ended 31 March 2013 is as follows:

Expenditure		Income	
	N\$		N\$
Opening balance-01/04/2012	34 255 545.82		
Operating expenditure	-	Operating Income	9 188 811.85
		Surplus/(Loss)	(25 066 733.97)
	34 255 545.82		34 255 545.82

9.4 Capital projects

The following were development projects of the Department of Transport as reflected in the General Ledger and the Development Budget.

Project	Approved total budget	Total expenditure 31/03/2012	Approved appropriation 2012/2013	Actual expenditure 2012/2013	Total expenditure 31/03/2013	Expected year of Completion
	N\$'000	N\$	N\$	N\$	N\$	
Construction, Rehabilitation and Upgrading of Government Garages Nation-Wide	11 299	-	2 202 000	-	-	31/03/2014
TransKalari Railway Line Development	12 000	-	7 000 000	4 817 511.00	4 817 511.00	01/04/2015
Cape Frifia-Katima Mulilo Railway Line Development	19 000	-	7 000 000	4 825 722.00	4 825 722.00	01/04/2015
Nation-wide Transport Planning all mode of Transport	2 983	31 195 981.78	360 000	-	31 195 981.78	31/03/2013
Maintenance of Roads: Paved and None Paved Roads	209 843	35 802 781.51	80 664 183	81 690 409.79	117 493 191.30	31/03/2014
Northern Railway Line Extension	213 890	478 896 476.78	35 000 000	34 543 867.01	513 440 343.79	31/03/2011
ATC: New Area Control Centre for Windhoek FIR	167 324	319 629 668.02	16 261 252	16 091 585.05	335 721 253.07	31/03/2013
Upgrade and Rehabilitation of Aus-Luderitz Railway Line	741 533	189 645 559.44	75 350 000	74 501 178.86	264 146 738.30	31/03/2011
Construction of Outapi Aerodrome	-	11 333 977.00	-	-	11 333 977.00	31/10/2010
Railway Networking Upgrading	538 209	122 342 873.47	127 579 000	118 239 920.11	240 582 793.58	31/03/2011
Upgrading of Vehicle and Driver Testing Stations	175 830	53 816 000.00	18 000 000	16 579 083.08	70 395 083.08	31/03/2012
Omafo - Ongenga – Outapi Upgrading to Bitumen Standard	42 500	7 038 624.38	-	-	7 038 624.38	01/03/2013
Upgrading of Civil Aviation Infrastructure	111 662	70 692 486.54	1 889 733	1 895 555.83	72 588 042.37	31/03/2015
Construction of Head Office for Civil Aviation	98 225	1 860 069.69	7 748 035	7 748 033.61	9 608 103.30	31/03/2014
Construction of Air Traffic Control Towers	44 926	5 371 176.70	418 762	418 761.10	5 789 937.80	31/03/2013
Upgrading of NAC Airport Infrastructure (Runway)	76 389	12 500 000.00	20 000 000	20 000 000.00	32 500 000.00	28/02/2013
Upgrading of Security & Safety infrastructure (Meeting Security Needs)	32 120	31 277 987.80	450 000	450 000.00	31 727 987.80	31/03/2014
Upgrading of NAC Airport Infrastructure (Building)	204 113	81 641 000.00	44 324 000	44 324 000.00	125 965 000.00	31/03/2014
Upgrade of Mpacha Airport	39 238	4 066 021.01	184 278	184 276.84	4 250 297.85	31/03/2013
Rundu-Elundu Road Upgrading to Bitumen Standard	1 206 929	493 979 093.00	6 372 924	6 163 036.97	500 142 129.97	30/09/2011
Construction of gravel road Tjova (TR8/4) Divayi	30 020	8 574 516.92	25 263 700	20 963 631.39	29 538 148.31	31/03/2013
Construction of gravel road Kaisosi (TR8/4) Cuma-3401)	56 764	14 939 174.82	29 339 347	29 153 008.24	44 092 183.06	31/03/2013
MR 22: Okahao-Omakange Road Upgrading to Bitumen Standard	353 937	313 852 886.09	18 500 905	18 388 626.17	332 241 512.26	31/03/2013
TR7/1: Okahandja – Karibib Rehabilitation	230 697	311 413 964.21	26 696 596	26 611 860.83	338 025 825.04	01/04/2013
Oshikuku – Okalongo Road Upgrading to Bitumen Standard	97 466	2 438 672.38	512 517	438 088.74	2 876 761.12	31/10/2014

Project	Approved total budget	Total expenditure 31/03/2012	Approved appropriation 2012/2013	Actual expenditure 2012/2013	Total expenditure 31/03/2013	Expected year of Completion
	N\$	N\$	N\$	N\$	N\$	
TR 14/2: Gobabis-Otjinene Road Upgrading	646 685	381 552 826.02	43 831 400	43 503 376.99	425 056 203.01	31/03/2013
Angra Fria Harbour	34 000	753 019.22	1 000 000	326 203.20	1 079 222.42	31/03/2013
Extension and upgrading of the Meteorological Services facilities	103 800	28 066 702.07	10 447 724	5 474 060.38	33 540 762.45	01/04/2014
Construction of a bridge at Kazungula	-	4 129 671.45	-	-	4 129 671.45	04/01/2013
Construction of Gravel road Ngoma (Izimue)-Nakobolelwa	58 534	7 605 828.44	16 896 752	15 851 858.19	23 457 686.63	31/03/2014
Construction of Gravel road Kamupupu-Mbururu	22 100	8 086 991.30	8 068 667	8 044 619.86	16 131 611.16	31/03/2013
Construction of Gravel road Omuthiya-Onanke	26 893	12 286 877.12	7 370 741	7 366 441.08	19 653 318.20	31/03/2013
Construction of Gravel road Epato (MR 111)-Onkani	48 000	-	200 001	-	-	31/03/2014
Construction of Gravel road Outapi-Okapalelona Border Post	20 224	7 901 946.92	22 840 412	18 787 544.70	26 689 491.62	31/03/2012
Construction of Gravel road Oshikuku-Ekangolinene (DR 3608)	32 120	16 959 871.29	37 533 602	37 441 091.32	54 400 962.61	31/03/2013
Construction of Gravel road DR 3657:TR 1/11 Oshapapa-Epumbu (25km)	60 546	6 688 657.62	4 946 491	4 533 669.63	11 222 327.25	31/03/2014
Labour based construction of DR3610: TR1/11-Mangetti west quarantine camp	5 000	48 362 644.88	2 846 700	2 166 077.55	50 528 722.43	31/03/2014
Construction of Gravel road (DR 3649) Onalulango-Epembe	56 000	11 404 526.07	2 771 502	2 713 185.44	14 117 711.51	31/03/2014
Construction of Gravel road Onamutai(DR 3638)-Ongwediva	48 682	24 106 239.16	21 759 022	21 741 286.28	45 847 525.44	31/03/2012
Construction of Gravel road Okatana-Ongwediva	-	7 600 000.00	-	-	7 600 000.00	31/03/2012
Construction of Gravel road Eembahu (TR 10/2)-Oshandi	-	6 040 000.00	-	-	6 040 000.00	31/03/2013
Construction of Gravel road Eembahu (TR 10/2)-Oshiweda	33 951	18 974.05	7 684 470	7 516 833.79	7 535 807.84	31/03/2013
Construction of Gravel road DR 3639 Etomba-Omundaunglo	73 311	-	3 853 904	3 687 567.22	3 687 567.22	31/03/2014
Construction of Gravel road Amwaanda-Omutambo Maowe (111 km)	131 635	-	5 000 000	2 128 744.88	2 128 744.88	31/03/2015
Construction of Gravel road DR 3605: Uukwiyuushona-Omuntele	49 679	-	200 000	-	-	31/03/2014
Construction of Gravel road MR 125 Lizauali-Sachona TR8/6 (115km)	104 873	-	146 188	33 588.00	33 588.00	31/03/2015
Eenhana-Oshigambo (MR 121) Road upgrading to Bitumen Standard	121 300	-	200 000	-	-	31/03/2015
Construction of Gravel road DR 3603: Onayena-Onakali	49 300	10 408 209.62	2 774 260	2 774 259.27	13 182 468.89	31/03/2014

Project	Approved total budget	Total expenditure 31/03/2012	Approved appropriation 2012/2013	Actual expenditure 2012/2013	Total expenditure 31/03/2013	Expected year of Completion
Road Upgrading to Bitumen standard MR 125 Liselo-TR 8/6 Linyanti-Singalamwe-Kongola	N\$ 640 500	N\$ 154 741 576.30	N\$ 79 854 824	N\$ 75 579 410.16	N\$ 230 320 986.46	30/08/2016
Construction of bridges linking Okahandja to Ovitoto Communal Area	396 000	-	34 006 177	27 606 921.32	27 606 921.32	31/03/2012
Omakange – Ruacana Upgrading to Bitumen Standard	36 500	5 941 279.36	-	-	5 941 279.36	01/03/2013
Acquisition of New Transport Craft for Zambezi River Government Hanger	18 921	4 342 946.16	8 066 000	8 006 392.24	12 349 338.40	31/12/2013
Marine radar system for Namibia	119 268	126 744 585.94	1 491 437	1 481 436.95	128 226 022.89	30/06/2015
Restructuring of Directorate Maritime Affairs into a National Maritime Authority HQ at Walvis Bay	89 667	34 124 906.79	14 483 987	14 462 786.75	48 587 693.54	31/12/2015
MR 15/1: Tsitsabis-Katwitwi Road Upgrading to Bitumen Standard	842 732	3 846 678.22	5 400 000	877 909.30	4 724 587.52	31/12/2014
Total	9 505 118	4 067 922 934.19	1 174 004 238	1 111 045 663.28	5 178 968 597.47	31/03/2013

WINDHOEK, 2013-12-20

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