



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

DEPARTMENT OF WORKS OF THE MINISTRY OF WORKS AND TRANSPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 Works 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 WORKS 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 Works 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 provisions set out in 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 Works of the Ministry of Works and Transport for the financial 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 it 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 the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). 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

Attention is drawn to on the following matter(s) that relate to my responsibility in the audit of the financial statements.

4.1.1 Under Expenditure

The total budget was underspent with an amount of N\$ 84 998 232.02 (14.41%).

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

4.1.2 Unauthorized expenditure

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, one (1) sub-division was exceeded with a total amount of N\$ 54 726.82 which is unauthorised in terms of Section 6(a)(iii) of the Act.

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

4.1.3 Bank Accounts

The Ministry failed to carry out bank reconciliation and to provide Income and Expenditure statements as required by Treasury Instruction FB 0402.

It is recommended that the Accounting Officer should comply with the provision of above mentioned Treasury Instruction and should perform bank reconciliations at all times.

4.1.4 Trade Accounts

The Accounting Officer reported the following balances in the stores system. However, these balances do not agree with the Integrated Financial Management System (IFMS) account analysis report balances as indicated below:

	Stores system	IFMS account analysis report	Difference
	N\$	N\$	N\$
Income	(96 143 138.16)	(86 634 472.67)	(9 508 665.49)
Expenditure	95 440 972.70	103 101 304.09	(7 660 331.39)
Profit/(Loss)	(702 165.46)	16 466 831.42	17 168 996.88

Debtors at the end year amounted to N\$ 94 120 484.72. Not all receipts were posted to the IFMS system and this may have contributed to the accumulating amount in the cash Sales Government Stores suspense account.

It is recommended that the two systems should be reconciled on a regular basis and all receipts should be posted to the IFMS system before the end of the financial year.

4.1.5 Subsistence Advances

According to the IFMS (DSA) Debit balance list, an amount of N\$ 577 135.46 was outstanding on advances as at 31 March 2013.

From the N\$ 577 135.46 on the debit balance list, an amount of N\$ 174 009.68 was outstanding for more than 30 days as at 31 March 2013, which is not in accordance with Treasury Instruction HB0505 that states that claims must be submitted within thirty (30) days after returning from an official trip.

It is recommended that the Accounting Officer should ensure that steps are taken to clear the S&T Advance Suspense Account at all times and claims are submitted within thirty (30) days as stated in Treasury Instruction HB0505. It is further recommended that should the claim amount be less than the advance amount, the difference should be recovered from the staff member.

4.1.6 Tender Board Exemptions

i) Approved Tenders Exemptions

The following five (5) exempted tenders were approved by the Tender Board during the 2012/2013 financial year, but were not reported by the Accounting Officer. The actual expenditure amounts for all the approved tender exemptions were also not submitted for audit purposes as requested by the Auditor-General Circular D12/2010

No.	Tender number	Description	Amount
			N\$
1.	E1/10/1-3/2012	Exemption for Capital Projects: TIPEEG Projects-Ministry of Works and Transport.	5 801 000.00
2.	E1/10/1-4/2012	Mechanical tender for specialised installations.	1 000 000.00
3.	E1/10/1-10/2012	Exemption to construct eight (8) houses on vacant Government plots in Windhoek to accommodate relocated tenants from the Central Business District area.	6 710 277.67
4.	E1/10/1-15/2012	Extension of Exemption number A10/1-68/2009.	2 000 000.00
5.	E1/10/1-16/2012	Exemption for the installation and commissioning of machines and equipment's purchased from the supplier in Windhoek.	38 315.65

It is further recommended that the Accounting Officer should report on all exemptions as approved by the Tender Board during the financial year and ensure that all actual expenditure amounts for approved exemptions be provided for audit purposes.

ii) Annual Tender Exemption

The actual expenditure for annual exemption E1/10/1-2/2012 could not be verified because the documents were not provided to the auditors to verify the actual expenditure incurred under this exemption. The exempted tender was as follows:

Subdivision	Description	Amount approved for 2012/2013	Actual Expenditure 2012/2013	Difference
		N\$	N\$	N\$
021	Purchase of air tickets	915 000	380 146.00	534 854.00
022	Materials and supplies	1 282 000	708 873.25	573 126.75
023*	Transport (Hiring of Vehicles)	-	1 302 000.00	(1 302 000.00)
025	Maintenance expenses	271 000	145 966.87	125 033.13
026*	Property rental and related charges	90 000 000	102 485 353.43	(12 485 353.43)
027*	Other services and expenses	2 506 000	3 847 785.90	(1 341 785.90)
103	Tools for departmental workforce	500 000	210 740.00	289 260.00
309	Trade account (Central Government Stores)	800 000	799 518.50	481.50
Total		96 274 000	109 880 383.95	(13 606 383.95)

*It was further found that sub-divisions 023, 026 and 027 exceeded the approved amount by Tender Board.

It is recommended that the Accounting Officer should keep a register for all expenditure incurred under the exemption to ensure that the approved exempted amounts are not exceeded. The actual expenditure supporting information should be provided as stated in the Auditor-General Circular D12/2010 for audit purpose.

4.1.7 Non-submission of annual report statements

The Ministry did not submit the following annual report statements for auditing and reporting purposes:

Statement Number	Statement
37.1	Total number of vehicles on hand at 31 March
37.2	Cost of damages
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
41.2	Head office Register

It is recommended that the Accounting Officer should submit all annual statements and accounts for audit and reporting purposes as stipulated in Circular D12/2010 of the Auditor-General and Section 12(1)(d) of the State Finance Act, 1991.

4.1.8 Suspense Accounts

The final ledger shows six (6) suspense account balances of the Department as at 31 March 2013 of which two (2) had credit balances and four (4) had debit balances. The following suspense accounts were in excess of N\$ 100 000:

Description	Debit/(Credit)
	N\$
Stores Trade Account	101 612 110.17
Receipt Suspense	4 824 941.69
Cash Sales Government Stores	50 210 605.91
S&T Advance Suspense Account	577 135.46
Bills Payable	(7 262 249.44)

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

5. ACKNOWLEDGMENT

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

6. BASIS FOR QUALIFIED OPINION

6.1 The Department failed to carry out reconciliations on the following accounts:

- i) Bank accounts: Paragraph 4.1.3
- ii) Trade accounts: Paragraph 4.1.4
- iii) Subsistence advances: Paragraph 4.1.5
- iv) Suspense accounts: Paragraph 4.1.8

6.2 Non-submission of Annual Tender Exemption Register: Paragraph 4.1.6

6.3 Non-submission of annual report statements: Paragraph 4.1.7

7. QUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Department of Works 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 23 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
123 Robert Mugabe Avenue
Private Bag 13299
WINDHOEK,
NAMIBIA**

8. FINANCIAL STATEMENTS

8.1 Appropriation account

2012/2013					2011/2012	
Service	Authorised expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent-age		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Minister:						
Original budget	4 917 000					
Plus: Virement	803 000	5 720 000	4 954 130.61	765 869.39	13.39	4 723 820.25
02. Administration:						
Original budget	61 423 000					
Less: Virement	(3 353 000)	58 070 000	45 986 482.69	12 083 517.31	20.81	40 791 425.25
03. Capital Projects Management:						
Original budget	85 226 000					
Less: Virement	(17 230 000)	67 996 000	45 901 292.74	22 094 707.26	32.49	42 285 066.82
04. Fixed Asset Management:						
Original budget	150 151 000					
Plus: Virement	1 450 000	151 601 000	136 724 570.34	14 876 429.66	9.81	139 389 934.82
05. Maintenance:						
Original budget	242 020 000					
Plus: Virement	14 830 000	256 850 000	231 205 416.96	25 644 583.04	9.98	216 281 011.54
06. Information Technology:						
Original budget	14 969 000	14 969 000	8 508 965.69	6 460 034.31	43.16	3 998 572.76
07. Stores and Printing:						
Original budget	24 223 000					
Plus: Virement	2 500 000	26 723 000	25 043 691.65	1 679 308.35	6.28	21 589 670.00
08. Garden Services:						
Original budget	6 958 000					
Plus: Virement	1 000 000	7 958 000	6 564 217.30	1 393 782.70	17.51	6 549 950.44
TOTAL:	589 887 000	504 888 767.98	84 998 232.02	14.41	475 609 451.88	

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\$
<u>Operational:</u>				
Current expenditure: Personnel				
001. Remuneration	199 756 000	179 373 046.98	20 382 953.02	152 128 265.23
002. Employer's contribution to the G.I.P.F	19 529 600	18 529 278.86	1 000 321.14	16 819 657.11
003. Other conditions of service	4 523 400	3 070 206.07	1 453 193.93	2 372 383.97
Total	223 809 000	200 972 531.91	22 836 468.09	171 320 306.31
Current expenditure: Goods and other services				
021. Travel and Subsistence expenses	8 381 000	5 970 747.56	2 410 252.44	5 161 543.38
022. Materials and supplies	9 182 000	5 494 018.70	3 687 981.30	7 080 876.02
023. Transport	7 260 000	4 774 082.48	2 485 917.52	3 905 601.73
024. Utilities	35 523 000	31 989 781.29	3 533 218.71	31 936 338.76
025. Maintenance expenses	9 335 000	4 664 662.44	4 670 337.56	6 218 187.86
026. Property rental and related charges	112 452 000	103 107 422.65	9 344 577.35	103 015 125.86
027. Other services and expenses	29 154 000	19 070 916.29	10 083 083.71	5 357 098.13
Total	211 287 000	175 071 631.41	36 215 368.59	162 674 771.74
Subsidies and current transfers				
043. Government organizations	89 283 000	89 283 000.00	-	87 209 000.00
045. Public and departmental enterprises and private industries	10 000	-	10 000.00	10 750.20
Total	89 293 000	89 283 000.00	10 000.00	87 219 750.20
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	3 715 000	1 317 523.19	2 397 476.81	645 989.83
103. Operational equipment, machinery and plant	2 312 000	316 368.42	1 995 631.58	1 851 139.34
Total	6 027 000	1 633 891.61	4 393 108.39	2 497 129.17
Total: Operational expenditure	530 416 000	466 961 054.93	63 454 945.07	423 711 957.42
<u>Development:</u>				
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	10 000 000	4 696 765.97	5 303 234.03	-
105. Feasibility studies, design and supervision	8 537 000	5 544 539.10	2 992 460.90	11 202 595.36
107. Construction, renovation and improvements	40 934 000	27 686 407.98	13 247 592.02	40 694 899.10
Total: Development expenditure	59 471 000	37 927 713.05	21 543 286.95	51 897 494.46
GRAND TOTAL	589 887 000	504 888 767.98	84 998 232.02	475 609 451.88

ANNEXURE A (continued)

8.3 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	4 551	1 503.71	(3 047.29)	(13 091.20)
Miscellaneous	269 524	9 653 998.48	9 384 474.48	406 744.42
Lost equipment and stores	-	-	-	362.54
Letting of housing	-	1 326.09	1 326.09	32 951.31
Lease/Letting of state land and building	24 942 343	25 648 683.82	706 340.82	24 732 904.42
Lease of parking	86 322	108 925.44	22 603.44	81 549.74
Obsolete, worn-out and surplus	4 260 383	8 489 335.20	4 228 952.20	15 396 499.07
Sale of Government houses	2 000 000	-	(2 000 000.00)	1 500.00
Mortuary fees	-	-	-	27 118.92
TOTAL	31 563 123	43 903 772.74	12 340 649.74	40 666 539.22

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: Office of the Minister (N\$ 765 869.39 – 13.39%)

An underexpenditure on Remuneration was as a result of the non-filling post of Special Advisor on the establishment and less resignations of staff members. An underexpenditure on Subsistence and Travelling was as a result of less trips undertaken during the financial year under review.

An underexpenditure on Material and Suppliers was as a result of most materials being supplied by the Government Stores. The Department is now responsible for maintaining its vehicles and pay its own fuel. An underexpenditure on Utilities was as a result of the new telephone billing system, which resulted in a reduction of charges.

An underexpenditure on Maintenance Expenses was as a result of the less repairs on office equipments. An underexpenditure on Other Services and Expenses have decreased due to lesser need of training and workshops. An underexpenditure on Furniture and Office equipment were as a result of less purchases of new furniture.

Main division 02: Administration (N\$ 12 083 517.31 – 20.81%)

An underexpenditure on Remuneration was as a result of non-filling of vacancies of messenger in support service subdivision, four (4) Accountants and one (1) Senior Accountant on the establishment of the Department. An underexpenditure on Subsistence and Travelling Allowances was as a result of less foreign trips that were undertaken.

An underexpenditure on Materials and Supplies was as a result of most materials being supplied by Government Stores, unlike before when the office materials were supplied by private institutions and the invoices for payment did not reach the office on time.

An underexpenditure on transport is as a result of delays in receiving of government garage invoices. An underexpenditure on Utilities is the result of new telephone billing system which resulted in reduction of charges.

An underexpenditure on Maintenance expenses is due to less repairs on office equipments. An underexpenditure on other services and expenses was due to less trainings and workshops. An underexpenditure on Public and Departmental Enterprises and Private industries was due to no claims being instituted against the State.

An underexpenditure on Furniture and Office equipment was as a result of less purchases of new furnitures. An underexpenditure on Equipment, Machinery and Plants was as a result of no operational purchases with regard to offices which are tiled.

Main division 03: Capital Projects Management (N\$ 22 094 707.26 – 32.49%)

An underexpenditure on Remuneration was due to crucial vacancies in professional positions that could not be filled. An underexpenditure on Other Conditions of Service is because of the non-resignations or promotions of staff members as well as less trips undertaken during the financial year.

An underexpenditure on Materials and Supplies was as a result of invoices for materials and supplies that were not received on time as well as Government Garage invoices which were not submitted on time. An underexpenditure on Other Services and Expenses was as a result of minimal expenses of vacancies which were not filled.

An underexpenditure on Development Projects: (Government Office photo voltaic and Electrification restorations, Infrastructure investigations, Ministerial headquarters upgrading, Independence memorial museum was because the tender for the Government Offices electrification was awarded late.

An underexpenditure on Maintenance was a result of Virementation request for the upgrading of Ministerial Headquarters was approved on 15 March 2013 while the request was made in January 2013, as a result the funds could therefore not be utilized. The sub-standard work performed on the partitioning on the 7th floor as well as the on slow progress from the contractor for Design Office also resulted in underexpenditure.

Main division 04: Fixed Assets Management (N\$ 14 876 429.66 – 9.81%)

An underexpenditure on Remuneration was the result of vacancies that were not filled during this financial year. An underexpenditure on Other Conditions of Service was the result of non-resignations of staff members.

An underexpenditure on Subsistence and Travelling were the result of funds which were viremented towards the closure of the financial year and that cause the Department not to utilize the funds.

An underexpenditure on Material and Supplies were the result of Government Stores were out of stock and the invoices were not received in time for payments towards the end of the financial year. An underexpenditure on Transport were the result of fewer trips that took place and the delays in the payment of invoices.

An underexpenditure on Utilities was due to the fact that many invoices were not processed because of some rejections of payments on Integrated Financial Management System (IFMS) which were caused by some interruption during the payment process during the end of the financial year.

An underexpenditure on Maintenance expenses were the result of less break downs with fax machines and photocopy machines. Works and construction responsibilities of lease properties and government houses were transferred to the maintenance division. An underexpenditure on Property and Rental related charges were the result of seven (7) lease agreements that were terminated. Lease agreements have expired and

were not renewed which was caused by the delays of the user Ministry to inform the Ministry of Works and Transport to renew the lease agreement on its expiry dates.

An underexpenditure on Other Services and Expenses is premised on the delays which took place for the virement of funds at the end of the financial year. Some courses applied for, were not approved on time and could not take place.

An underexpenditure on Feasibility studies, Design and Supervision were the result of some funds which were viremented towards the end of the financial year and could not be utilized.

Main division 05: Maintenance (N\$ 25 644 583.04 – 9.98%)

An under expenditure on Remuneration was the result of vacancies which were not filled in the last financial year, as it is supposed to be in line with the decentralization process. Some overtime claims were not submitted on time and could only be paid in the next financial year.

An underexpenditure on Other Condition of Services were the result of few employees who went on early retirement, less death and fewer resignations that were also recorded.

An underexpenditure on Subsistence and Travelling Allowance was due to not much travelling as the maintenance function was decentralized to the Regional Councils.

An underexpenditure on Material and Supplies resulted from some March purchase orders for Gen Set diesel which arrived late for payment and thus was paid in this financial year. An under spending on Transport was due to Government Garage not submitting invoices on time. The Utilities underexpenditure is due to invoices that were not received on time. The under spending on Maintenance Expenses is due to the fact that the project for de-bushing and clearing of the minefield between Zambia and Angola borderline was put on hold as a result and the project was only continued the next financial year. Other Services and Expenses have decreased due to less training on staff members. Under spending on Furniture and Office Equipment and Operational Equipment, Machinery and Plants is because of the exemption to purchase Furniture and Operational Equipment, Machinery for the regional and sub-offices were not approved in time by the Tender Board of Namibia.

The underexpenditure on Development Projects on an on-going renovation, construction of sewer system oxidation ponds, rehabilitation of infrastructure and upgrading of specialised installation, construction of the Department of Works (DoW) new regional offices is due to some contractors not completing their work by the end of the financial year as well as some of the purchase orders were not returned on time for payment, thus payment was only done in the next financial year. The contractors started late on two (2) regional offices and construction of sub-offices could not materialize as layouts had to be revised to suit the final revised structures. The original standard layout for regional offices in the mentioned regions had to be revised due to changes in functional requirements.

Main division 06: Information Technology (N\$ 6 460 034.31 – 43.16%)

The under spending on Personnel expenditure was as a result of vacancies of the Chief Technician and Programmer's positions that were not filled. The underexpenditure on Other Conditions of Service is because of the non-resignations or promotions of staff members. Fewer trips were undertaken during that particular financial year.

The under spending on Materials and Supplies is because Government Stores were out of stock and the invoices were not received on time for payments at the end of the financial year. The underexpenditure on Transport is because of fewer trips that took place and the delays in the payment process of invoices. Other services and expenses are minimal due to vacancies which were not filled. No training needs were identified. Funds which were planned for new staff members' furniture could not be utilized due to vacant positions that could not be filled.

The underexpenditure on Upgrading of Network infrastructure and expansion of IT service to regional offices, on the development budget for the affordable and accessible ICT services was as a result of late submission of invoices for services rendered and the late Tender approval for the cabling. The linking of Government Garage, Government Stores and Weather Bureau regional offices could not be executed and the funds could therefore not be utilized for the period.

Main division 07: Stores and Printing (N\$ 1 679 308.35 – 6.28%)

The underexpenditure on Personnel expenditure was as a result of vacancies that were not advertised and filled. A nominal amount was budgeted to cater for leave gratuity and because of the unpredictability of resignations, only a few staff members resigned or has retired.

Main division 08: Garden Services (N\$ 1 393 782.70 – 17.51%)

The underexpenditure on Remuneration is due to the virement of N\$ 1 000 000 which was received from Administration for remuneration as a result of insufficient funds on this vote to cater for 8% salary increment. Furthermore, the underexpenditure is due to fewer resignations, early retirement and medically board staff members during the financial year. An underexpenditure on Other Conditions of Service is due to actual expenses that were not high as expected and purchasing of protective clothing reduced as a result of internal factors such as retirement. The underexpenditure on the Subsistence and Travel expenses is because of the late submission of the Substances and Travelling claims thus the claims were submitted in the 2013/14 financial year.

The underexpenditure on Materials and Supplies was a result of fewer purchasing of stationary, mechanical materials, irrigation and fuel during the financial year. Government Garage did not submit their invoices on time as a result Transport had been under spend. Utilities had an underexpenditure because of less telephone calls and fax charges as strict measures were put in place. The underexpenditure on maintenance expenses is due to the fact that garden maintenance projects which was budgeted for was not finalized and the sites for garden maintenance was less than previous years. Other services and expenses for training needs of staff members is high. Furniture and Office Equipment had an underexpenditure with regard to some orders that were cancelled towards the end of the financial year.

The underexpenditure on Operational Equipment, Machinery and Tools was a result of tools and materials which were purchased from Government Stores were not received on time because of the unavailability of stock therefore the purchase orders of the Government Stores were cancelled.

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

(i) Underestimated

Lease/letting of State land and buildings (N\$ 706 340.82)

More revenue was collected on the lease of Government properties than anticipated because of strict measures introduced to force occupants to pay their leases.

Obsolete, worn-out and surplus equipment (N\$ 4 228 952.20)

The turnout at Government auctions was more than anticipated, thus more revenue was collected.

Miscellaneous (N\$ 938 4474.48)

IRD posting done by the Ministry of Finance for revenue collected in the regions resulted in more revenue collection than anticipated.

(ii) Overestimated

Sale of Government houses (N\$ 200 000.00)

No revenue was collected, because a significant number of Government houses were already sold, the funds received for the sale of a few Government houses was deposited in the Nedbank account as directed by Cabinet.

9. GENERAL INFORMATION

9.1 Bank Accounts

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

Account Name	Banking Institution	Balance at 31/03/2013
		N\$
Government Properties Alienation Call Account	Nedbank	453 073.05
Government Properties Alienation Current Account	Nedbank	54 000
		931.91

9.2 Fixed Property Sold

The Accounting Officer reported that forty seven (47) Government houses worth N\$ 4 493 680.43 from different regions were sold.

9.3 Tender Board Exemption

The Tender Board approved deviations from normal Tender Board procedures for acquiring goods and services valued at N\$ 111 823 593.32 comprising of the following:

Exemption No.	Description	Amount approved
E1/10/1-2/2012	To purchase standard stock items	96 274 000.00
E1/10/1-3/2012	Exemption for Capital Projects: TIPEEG Projects-Ministry of Works and Transport	5 801 000.00
E1/10/1-4/2012	Mechanical tender for specialised installations	1 000 000.00
E1/10/1-10/2012	Exemption to construct eight (8) houses on vacant Government plots in Windhoek to accommodate relocated tenants from the Central Business District area.	6 710 277.67
E1/10/1-15/2012	Extension of Exemption number A10/1-68/2009	2 000 000.00
E1/10/1-16/2012	Exemption for the installation and commissioning of machines and equipment's purchased from the supplier in Windhoek	38 315.65
Total		111 823 593.32

9.4 Capital Projects

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

Nature of Project	Approved Total Budget	Total expenditure at 31/03/12	Approved Appropriation 2012/13	Actual Expenditure per ledger 2012/13	Total Expenditure at 31/03/13	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Ministerial headquarters upgrading	37 048 000	31 343 512.02	7 700 000	1 613 228.34	32 956 740.36	30/03/2016
Infrastructure investigations	15 290 000	17 655 432.84	1 260 000	854 498.01	18 509 930.85	31/03/2016
Government offices-photo-voltaic and electrification installation	25 401 000	26 070 450.57	1 720 000	732 138.32	26 802 588.89	31/03/2016
Independence memorial museum	125 448 000	105 364 525.68	12 565 000	10 549 538.13	115 914 063.81	31/03/2014
Property assessment study and maintenance asset management	16 621 000	14 459 095.14	4 000 000	3 453 923.77	17 913 018.91	31/03/2015
Ongoing renovations and minor capital renovations	52 365 000	45 752 580.76	7 500 000	5 027 826.44	50 780 407.20	31/03/2015
Rehabilitation, upgrading or re-construction of oxidation ponds of sewer system	40 641 000	32 366 823.35	5 000 000	3 699 704.54	36 066 527.89	31/03/2015
Rehabilitation of infrastructure and upgrading of exist specialized installation	28 715 000	21 580 299.20	4 425 000	2 615 421.87	24 195 721.07	31/03/2015
Extension/Upgrading and Construction of the Department of Works, Regional offices/Sub-Offices and Workshops	16 400 000	5 709 145.24	-	-	5 709 145.24	31/03/2016
Construction of Department of Works new Sub-Offices	25 318 000	6 602 083.65	3 000 000	2 544 485.59	9 146 569.24	31/03/2015
Upgrading of network infrastructure and expansion of IT services to Regional Offices	15 000 000	2 206 902.00	10 000 000	4 696 765.97	6 903 667.97	31/03/2013
Construction of Department of Works new Regional Offices	38 759 000	12 820 505.21	2 301 000	2 140 182.07	14 960 687.28	31/03/2015
Total	437 006 000	321 931 355.66	59 471 000	37 927 713.05	359 859 068.71	

Windhoek, 2013-12-20

PETER MWATILE
ACCOUNTING OFFICER