



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**  
**MINISTRY OF AGRICULTURE, WATER**  
**AND FORESTRY**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

Published by authority

Price (Vat excluded) N\$ 42.19

Report no. 86/2014

**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 Agriculture, Water and Forestry 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**

## 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 MATTERS.....	2
4.1.1 Under Expenditure .....	2
4.1.2 Unauthorized Expenditure .....	3
4.1.3 Deviations from normal tender procedures.....	3
5. ACKNOWLEDGEMENT .....	3
6. EMPHASIS OF MATTER .....	3
7. UNQUALIFIED AUDIT OPINION.....	4
8. FINANCIAL STATEMENTS .....	5
8.1 Appropriation Account.....	5
8.2. Standard subdivisions.....	7
8.3. Departmental revenue.....	9
8.4 Trade account: Equipment and transport.....	11
8.5. Notes to the financial statements .....	14
8.5.1 Appropriation account: Explanations of variations exceeding 2% between authorized and actual expenditure 14	
8.5.2 Departmental revenue: Explanations of deviations of N\$ 100 000 and above. ....	19
9. GENERAL INFORMATION .....	21
9.1. Bank accounts .....	21
9.2. Compensation Payments .....	21
9.3. Commissions and committees .....	22
9.4. Debts to the Government.....	22
9.5.1. Capital projects (Funded by the Namibian Government).....	23
9.5.2 Donor funded projects.....	24
9.6. Bursary and study assistance .....	24
9.7 Donations .....	24
9.8 Tender Board exemptions.....	25
9.9 Equipment .....	27
9.10 Vehicles.....	27
9.11 Losses and Damages .....	27
9.12 HIV/AIDS .....	27
9.13 Subsistence allowances outstanding.....	27
9.14 Suspense accounts .....	28

**REPORT OF THE AUDITOR-GENERAL  
ON THE ACCOUNTS OF THE  
MINISTRY OF AGRICULTURE, WATER AND FORESTRY  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2013**

---

**1. INTRODUCTION**

This report on the accounts of the Ministry of Agriculture, Water and Forestry 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 Ministry of Agriculture, Water and Forestry 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 the 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 Section 12 & 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 (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**

#### **4.1.1 Under Expenditure**

The total budget was underspend with a total amount of N\$ 458 463 360.63 (22.54%). This huge underexpenditure could have been used for other pressing needs in the Country.

It is recommended that the Accounting Officer 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 utilize certain expected savings for the defrayal of excess expenditure by way of virement during the year, one (1) operational subdivision exceeded the authorised amount with N\$ 200 709.17, 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 Deviations from normal tender procedures**

The supporting documents provided to the auditor for deviations from normal tender procedures do not correspond to the actual expenditure of N\$ 348 825 731.91.

It is recommended that the Accounting Officer submits reconciled supporting documents to ensure the amounts disclosed in the financial statements are correct.

### **5. ACKNOWLEDGEMENT**

The assistance and co-operation of the management and staff of the Ministry during the audit is appreciated.

### **6. EMPHASIS OF MATTER**

Without qualifying my opinion attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements:

- a) Paragraph 4.1.1 Underexpenditure. The total budget was underspend with an amount of N\$ 458 463 360.63 (22.54%).

## **7. UNQUALIFIED AUDIT OPINION**

I certify that I have audited the financial statements of the Ministry of Agriculture, Water and Forestry 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, 1991 (Act 31 of 1991).

In my opinion, the financial statements fairly represent the receipts and payments of Vote 20 for the year ended 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**

## 8. FINANCIAL STATEMENTS

## 8.1 Appropriation Account

		2012/2013				2011/2012
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
<b>01. Office of the Minister:</b>						
Original budget	5 333 000					
Less: Virement	(1 000 000)	4 333 000	3 252 877.84	1 080 122.16	24.93	4 165 088.78
<b>02. Administration:</b>						
Original budget	290 135 000					
Less: Virement	(3 000 000)	287 135 000	236 343 848.54	50 791 151.46	17.69	142 957 818.93
<b>03. Veterinary Services:</b>						
Original budget	222 684 000					
Plus: Virement	6 994 000	229 678 000	219 620 769.52	10 057 230.48	4.38	252 521 320.02
<b>04. Research:</b>						
Original budget	93 607 000	93 607 000	82 839 766.13	10 767 233.87	11.50	95 969 608.65
<b>05. Agriculture Development and Extension:</b>						
Original budget	147 033 000					
Less: Virement	(1 000 000)	146 033 000	139 988 155.46	6 044 844.54	4.14	169 176 888.98
<b>06. Agriculture Engineering:</b>						
Original budget	309 751 000					
Less: Virement	(1 000 000)	308 751 000	305 321 665.30	3 429 334.70	1.11	546 235 161.20
<b>07. Planning, Pricing Marketing and Co-operation:</b>						
Original budget	108 242 000					
Less: Virement	(400 000)	107 842 000	64 649 943.23	43 192 056.77	40.05	85 784 722.71



**ANNEXURE A (continued)**

**Appropriation account (continued)**

2012/2013					2011/2012
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure
			Under-expenditure/ (Excess)	Percentage	
N\$	N\$	N\$	N\$	%	N\$
<b>08. Agricultural Training:</b>					
Original budget	20 029 000	17 505 495.19	2 523 504.81	12.60	18 405 715.17
<b>09. Emergency Relief:</b>					
Original budget	158 000	150 100.98	7 899.02	5.00	146 487.00
<b>10. Resource Management:</b>					
Original budget	105 932 000	58 608 947.77	47 323 052.23	44.67	61 859 693.28
<b>11. Rural Water Supply:</b>					
Original budget	605 999 000	337 185 122.80	268 813 877.20	44.36	647 847 284.63
<b>12. Forestry:</b>					
Original budget	125 330 000	110 302 946.61	14 433 053.39	11.57	117 774 306.17
Less: Virement	(594 000)				
<b>Total:</b>	<b>2 034 233 000</b>	<b>1 575 769 639.37</b>	<b>458 463 360.63</b>	<b>22.54</b>	<b>2 142 844 095.52</b>

**ANNEXURE A (continued)**

**8.2. Standard subdivisions**

2012/2013			2011/2012	
Subdivision	Authorized expenditure	Actual expenditure	Under expenditure/ (Excess)	Actual expenditure
<b>Operational:</b>	N\$	N\$	N\$	N\$
<b>Current expenditure: Personnel</b>				
001. Remuneration	393 173 500	369 455 741.54	23 717 758.46	336 587 161.34
002. Employer's contribution to the GIPF	43 244 000	41 814 755.29	1 429 244.71	38 274 813.38
003. Other conditions of service	7 820 000	5 686 714.37	2 133 285.63	4 633 685.96
<b>Total</b>	<b>444 237 500</b>	<b>416 957 211.20</b>	<b>27 280 288.80</b>	<b>379 495 660.68</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence	71 512 500	58 765 586.01	12 746 913.99	55 143 799.89
022. Materials and supplies	53 009 000	40 098 664.31	12 910 335.69	47 735 534.90
023. Transport	98 283 491	98 283 491.00	-	92 664 923.50
024. Utilities	70 196 800	63 430 270.54	6 766 529.46	50 996 052.48
025. Maintenance	12 000 053	6 708 395.51	5 291 657.49	12 335 933.04
026. Property rental and related charges	146 000	4 000.00	142 000.00	5 770.46
027. Other services and expenses	83 778 156	65 544 066.20	18 234 089.80	81 592 585.76
<b>Total</b>	<b>388 926 000</b>	<b>332 834 473.57</b>	<b>56 091 526.43</b>	<b>340 474 600.03</b>
<b>Current expenditure: Membership and subscriptions, subsidies and other current transfers</b>				
041. International	3 273 000	2 305 357.92	967 642.08	2 512 084.26
042. Domestic	197 000	105 704.41	91 295.59	59 371.05
043. Government organizations	50 000 000	20 000 000.00	30 000 000.00	38 075 765.40
044. Individuals and non-profit entities	50 535 000	48 628 855.93	1 906 144.07	38 147 540.12
045. Public and departmental enterprises and private industries	25 300 000	25 002 726.79	297 273.21	29 298 745.87
<b>Total</b>	<b>129 305 000</b>	<b>96 042 645.05</b>	<b>33 262 354.95</b>	<b>108 093 506.70</b>
<b>Total: Current expenditure</b>	<b>962 468 500</b>	<b>845 834 329.82</b>	<b>116 634 170.18</b>	<b>828 063 767.41</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	8 511 855	4 486 184.48	4 025 670.52	7 448 039.85
102. Vehicles	20 621 500	20 621 500.00	-	12 540 000.00
103. Operational equipment, machinery and plant	14 335 145	8 368 561.22	5 966 583.78	13 794 430.79
<b>Total: Capital expenditure</b>	<b>43 468 500</b>	<b>33 476 245.70</b>	<b>9 992 254.30</b>	<b>33 782 470.64</b>
<b>Total: Operational expenditure</b>	<b>1 005 937 000</b>	<b>879 310 575.52</b>	<b>126 626 424.48</b>	<b>861 846 238.05</b>
<b>Development:</b>				
<b>Capital expenditure: Goods and other services</b>				
022. Materials and supplies	5 500 000	5 415 928.76	84 071.24	8 452 917.27
027. Other services and expenses	14 272 000	13 796 196.48	475 803.52	24 279 115.53
<b>Total</b>	<b>19 772 000</b>	<b>19 212 125.24</b>	<b>559 874.76</b>	<b>32 732 032.80</b>

**ANNEXURE A (continued)**

**Standard subdivisions (continued)**

<b>2012/2013</b>				<b>2011/2012</b>
<b>Subdivision</b>	<b>Authorized expenditure</b>	<b>Actual expenditure</b>	<b>Under expenditure / (Excess)</b>	<b>Actual expenditure</b>
	N\$	N\$	N\$	N\$
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	1 650 000	1 499 744.50	150 255.50	1 732 248.68
103. Operational equipment, machinery and plant	6 157 000	6 029 161.70	127 838.30	18 352 213.62
104. Purchase of buildings	-	-	-	2 683 974.47
105. Feasibility studies, design and supervision	85 597 400	51 513 919.81	34 083 480.19	82 816 983.23
106. Purchase of land and intangible assets	4 214 700	1 789 036.50	2 425 663.50	5 269 660.40
107. Construction, renovation and improvement	623 817 900	329 355 946.78	294 461 953.22	590 898 690.70
<b>Total</b>	<b>721 437 000</b>	<b>390 187 809.29</b>	<b>331 249 190.71</b>	<b>701 753 771.10</b>
<b>Capital expenditure: Capital transfers</b>				
131. Government organizations	287 087 000	287 059 129.32	27 870.68	546 512 053.57
<b>Total</b>	<b>287 087 000</b>	<b>287 059 129.32</b>	<b>27 870.68</b>	<b>546 512 053.57</b>
<b>Total: Development expenditure</b>	<b>1 028 296 000</b>	<b>696 459 063.85</b>	<b>331 836 936.15</b>	<b>1 280 997 857.47</b>
<b>Grand total:</b>	<b>2 034 233 000</b>	<b>1 575 769 639.37</b>	<b>458 463 360.63</b>	<b>2 142 844 095.52</b>

**ANNEXURE A (continued)**

**8.3. Departmental revenue**

Revenue for the financial year is as follows:

Revenue heading	2012 / 2013			2011 / 2012
	Estimate	Actual revenue	More/(Less) than estimated	Actual revenue
	N\$	N\$	N\$	N\$
Private telephone calls	2 000	3 818.74	1 818.74	1 672.32
Unclaimed cheques	-	60.00	60.00	(1 153 015.00)
Miscellaneous *	386 506	704 275.55	317 769.55	1 364 205.29
Lost equipment and stores	30 000	57 169.61	27 169.61	31 005.73
Ministerial fines	8 771	-	(8 771.00)	-
Lease/letting State land and buildings	150 367	156 504.16	6 137.16	397 346.24
Sale of stock and farm produce	5 070 000	4 340 747.81	(729 252.19)	3 727 413.56
Veterinary and clinical services	1 060 000	816 253.87	(243 746.13)	1 447 741.02
Services rendered to ministries	4 857	-	(4 857.00)	-
Performance testing fees	6 857	-	(6 857.00)	-
Sale of furs and wool	346 802	754 440.35	407 638.35	597 384.58
Grazing fees	4 200	4 395.00	195.00	2 820.00
Meat hygienic services	1 939 792	1 871 782.22	(68 009.78)	3 454 252.43
Registration fees on remedies, feeds and fertilizers	533 290	778 701.43	245 411.43	835 877.24
Hides and skins	10 225	13 939.70	3 714.70	11 071.70
Ploughing services	1 138	1 326 270.30	1 325 132.30	701 224.35
Planting services	295	450.00	155.00	1 005.00
Seeds and fertilizers	959	1 168 111.30	1 167 152.30	178 735.86
Auction fees	3 209 465	1 085 146.42	(2 124 318.58)	1 853 486.22
Sale of water and electricity: Employees	121 255	325 832.89	204 577.89	168 740.14
Sale of water (Hardap irrigation scheme)	-	132 531.11	132 531.11	47 710.09
Laboratory testing fees	1 232 367	1 314 467.04	82 100.04	1 555 619.50
Meter linkage and rental fees	2 100 150	5 534 895.00	3 434 745.00	3 010 450.00
Permit fees	2 920 550	3 594 367.34	673 817.34	3 089 865.10
Commission fees	454 000	392 399.25	(61 600.75)	463 690.00
Game and game produce	17 100	858.00	(16 242.00)	4 436.00
<b>Total</b>	<b>19 610 946</b>	<b>24 377 417.09</b>	<b>4 766 471.09</b>	<b>21 792 737.37</b>

**ANNEXURE A (continued)**

\* Miscellaneous revenue is compiled as follows:

<b>Nature of revenue</b>	<b>Amount</b>
	N\$
Photocopies / Faxes	570.25
Stock card	5 094.00
Lost access cards	1 615.00
Surplus on Funds	228.00
Books	5 750.00
Overtime on State veterinarians	13 789.73
Hiring of borehole	500.00
Water conference	5 500.00
Written reversed cheques	97 231.75
Eartags	921.00
Quarantine	240.00
Show price	1 000.00
Grass inspection	27 275.15
Hunting guide	100.00
Selling of G-Nam books	899.93
Accommodation	153 494.44
Transport for State veterinarians	222 957.49
Refund on previous year expenses	165 438.26
Cremation of animals	1 670.00
<b>Total</b>	<b>704 275.00</b>

**ANNEXURE A (continued)**

**8.4 Trade account: Equipment and transport**

**(i) Balance sheet as at 31 March 2013**

	2012/2013	2011/2012
	N\$	N\$
<b>Capital employed</b>	<b>202 490 103</b>	<b>159 905 486</b>
Capital as at 1 April	159 905 486	135 512 093
Net Surplus/(Deficit)	42 584 617	24 393 393
	<b>202 490 103</b>	<b>159 905 486</b>
<b>Employment of capital</b>	<b>127 739 234</b>	<b>116 808 831</b>
Fixed assets at net book value	116 808 831	81 889 077
Purchases	10 930 403	34 919 754
<b>Plus:</b>	<b>74 750 869</b>	<b>43 096 655</b>
State revenue fund	74 750 869	43 096 655
	<b>202 490 103</b>	<b>159 905 486</b>

**ANNEXURE A (continued)**

**(ii) Replacement Reserve Fund for the year ended 31 March 2013**

	<b>2012/2013</b>	<b>2011/2012</b>
	N\$	N\$
<b>Balance on 1 April</b>	<b>43 096 655</b>	<b>53 623 016</b>
<b>Plus: Transfer from income statements</b>	<b>31 654 214</b>	<b>(10 526 361)</b>
Capital	(10 930 403)	(34 919 754)
Net Surplus for the year	42 584 617	24 393 393
<b>MINISTRY OF FINANCE LEDGER ACCOUNT</b>	<b>74 750 869</b>	<b>43 096 655</b>
<b>Remarks:</b> Balance to be kept in the account for the following reasons:		
i. The purchase for new vehicles committed in fiscal year	24 900 344	25 857 933
ii. License renewals of vehicles	5 000 000	5 000 000
iii. Maintenance and repairs on the vehicles fleet	44 850 525	12 238 662
<b>Total</b>	<b>74 750 869</b>	<b>43 096 655</b>

**(iii) Capital income for the year ended 31 March 2013**

	<b>2012/2013</b>	<b>2011/2012</b>
	N\$	N\$
<b>Gross income</b>	<b>79 071 992</b>	<b>48 510 666</b>
Rental charges	33 616 922	32 956 417
Auctions	7 587 522	3 559 543
Transfer for purchase of new vehicles	37 867 548	11 994 706
<b>Less: Expenditure</b>	<b>10 930 403</b>	<b>34 919 754</b>
Purchases of new vehicles	10 930 403	34 919 754
<b>Net profit for the financial year 2012/2013</b>	<b>68 141 589</b>	<b>13 590 912</b>

**ANNEXURE A (continued)**

**(iv) Maintenance income statement for the year ended 31 March 2013**

	<b>2012/2013</b>	<b>2011/2012</b>
	N\$	N\$
<b>Gross income</b>	<b>65 338 515</b>	<b>51 079 801</b>
Rental charges	50 425 383	49 434 175
Transfers	14 913 132	1 645 626
<b>Less: Expenditure</b>	<b>101 825 890</b>	<b>75 196 775</b>
AFS payments	771 480	754 644
Fuel & Oil	17 571	21 439
Repairs and maintenance	10 021 989	7 506 722
Roads Authority	4 090 513	3 167 409
Other expenses	884 704	892 327
Vehicle hiring from Government Garage	4 389 633	2 854 234
Log and trip authority books	50 000	-
Stannic transfers	64 000 000	60 000 000
Journal reversal	17 600 000	-
<b>Net loss for the financial year 2012/2013</b>	<b>(36 487 375)</b>	<b>(24 116 974)</b>



**8.5. Notes to the financial statements**

**8.5.1 Appropriation account: Explanations of variations exceeding 2% between authorized and actual expenditure**

**Underexpenditure**

**Main division 01: Office of the Minister (N\$ 1 080 122.16 – 24.93%)**

The Honourable Minister's international trips depend on the invitation and subsequent authorizations from the Head of State. During the period under review fewer foreign trips than anticipated were undertaken, hence the under spending on this main division.

**Main division 02: Administration (N\$ 50 791 151.46 – 17.69%)**

The change of the original allocated sites for the construction of the Ministry's Regional Headquarters in the Kavango, Ohangwena and Zambezi regions had a negative effect on the budget. Consultants' fees such as project management and supervision as well as fees to the relevant building contractors relating to the construction of the building could not be paid as there were no contractual agreements entered into. Similar problems were experienced in Kunene and Omusati regions, resulting in the under spending

The under spending of funds under this main division was mainly due to the fact that funds budgeted for the positions of the two Senior Private Secretaries, one Chief Liaison Officer and one Liaison Officer could not be filled within six months as expected. Delay in processing of Debit Acceptance by the Office of the Prime Minister and funds committed for procurement of Microsoft software resulted in the under spending.

**Main division 03: Veterinary services (N\$ 10 057 230.48 – 4.38%)**

The under spending of funds under this main division was due to the following reasons:

Scheduled foreign trips were cancelled by the organizers, hence the under spending on the foreign daily subsistence and allowances. In particular the Southern African Development Community Livestock Technical Committee, African Union Inter African Bureau for Animal Resources (AU AIBAR) and the Italian Twinning Agreement.

Few vaccines and drugs were purchased especially for the Foot and Mouth Disease and Lung sickness during the 2012/2013 financial year due to an improved animal health status in the country. The tender for buying equipment and furniture for the Central Veterinary Laboratory was not approved on time, hence the delay in the procurement.

Budgetary provision was made for the anticipated new Ministry's structure which did not materialize, as a result there was an under expenditure on equipment and furniture for the new staff members.

## ANNEXURE A (continued)

### **Main division 04: Research (N\$ 10 767 233.87 – 11.50%)**

The Ministry has one hundred and seventy (170) positions which are not yet filled with the required qualifying candidates. The approval by the Public Service Commission on the filling of promotional posts took long, thereby contributing to the under spending. Stringent requirements in terms of grades and experience for Senior and Chief Agricultural Scientific Officers as well as other senior technical personnel further compounded this situation.

The Ministry struggled to fill the positions of Chief Agricultural Scientific Officers especially for sub divisions Small Stock and Agricultural Laboratory sub divisions due to a lack of qualified candidates who meet the requirements. Furthermore due to restrictions of not jumping the grades, experienced Junior Agricultural Scientific Officers who are on lower grades could not be considered as they are on grades lower than the positions applied for. Some of them have been acting in such positions for a long time. Consequently, this does not only place an added challenge on filling these senior posts, but also has a negative spill-over effect on the spending of the main division.

### **Main division 05: Agriculture development and extension (N\$ 6 044 844.54 – 4.14%)**

Six (6) Chief Agricultural Extension Officer (CAEO) posts were advertised internally but no qualified candidate could be found. The current establishment of Extension and Engineering Services only makes provision for two positions of Senior Agricultural Extension officer; only staff members at this level qualify for the position of the Chief Agricultural Extension Officer.

Directorate of Extension and Engineering Services (DEES) constructed six (6) Agricultural Development Centers in six regions of the country. These Agricultural Development Centers were to be furnished, but due to the fact that the Annual Tender to procure the furniture was not approved, it did not happen.

### **Main division 07: Planning, pricing, marketing and co-operation (N\$ 43 192 056.77 – 40.05%)**

The Ministry did not receive invoices from Agri-Bank to subsidize the interest rate on loans of affirmative Action Loan Scheme Beneficiaries. As such, the entire budget of fifty million Namibian dollars (N\$ 50 000 000) was not spent for its intended purpose. Twenty million Namibian dollars (N\$ 20 000 000) was transferred to the co-operative loan guarantee fund which was in need of these funds. A further attempt to transfer the remaining thirty million Namibian dollars (N\$ 30 000 000) was unsuccessful. This amount accounts for a large percentage of the under spending.

The Directorate experienced a high staff turnover during the financial year under review. At the same time a number of staff members were promoted leaving their positions vacant. This development took place at various points during the financial year, which contributed to the under spending.

The under spending on the subsistence and travel subdivision is as a result of the reduction in travelling for fieldwork.

## ANNEXURE A (continued)

Over and above the scheduled travel related work, budgetary provision was made for ad hoc travel related work based on past experience. During the financial year ad hoc work related travel was below expectation.

The Directorate anticipated that the National Agricultural Policy (NAP) would be finalized during the 2012/13 financial year and would be taken for design and layout as well as printing of the final document for launching. However this document could not be finalized hence the funds budgeted for this purpose could not be utilized.

The Directorate budgeted a total amount of N\$ 1 300 000 for consultancies. However, the Directorate utilized only N\$ 600 000 due to a reduction in the number of consultancies. In addition the budget submitted by the Agricultural Attaché's office in Brussels was less than what the Directorate budgeted for.

The Directorate budgeted for membership and subscription fees for relevant international organizations to which Namibia is party to. However, the Ministry did not process any payment of membership fees to the International Fund for Agricultural Development (IFAD). Payment to this organization has been put on hold pending assessment to determine the benefits Namibia receives from IFAD.

### **Main division 08: Agricultural training (N\$ 2 523 504.81 – 12.60%)**

Most of the positions advertised during the course of the 2012/13 financial year were filled only towards the end of the financial year, hence the under spending as detailed below. The posts not filled timely include:

- 3 x Chief Agricultural Training Officers of which two filled on 01 February 2013;
- 3 x Agricultural Training Officers were advertised, interviews conducted, and recommendations made but only one position was filled on 1 May 2013. The remaining two are still waiting for appointment;
- 1x Senior Agricultural Research Technician;
- 1 x Senior Clerical Assistant, the candidate appointed rejected the offer;
- 1 x Senior Farm Foreman advertised, interviewed and awaiting appointment;
- 3 x Leader Labourers; advertised, interviewed, but not yet appointed;
- 2 x Labourers;
- 1 x Housekeeper; and
- 2 x Artisans, the incumbent transferred and recruited but the process could not be finalized.

Since these positions were not filled, GIPF contributions were not made, hence the under spending.

## ANNEXURE A (continued)

### **Main division 09: Emergency relief (N\$ 7 899.02 – 5.00%)**

The under spending under this main division was due to the fact that only five thousand (5 000) liters of chemicals were needed to combat the outbreak of army worms in the Northern Communal Areas (NCA's). There has been no budget per say, but Directorate of Extension and Engineering Services (DEES) has a contingency of five hundred thousand Namibian dollars (N\$ 500 000) to handle whatever comes up. Moreover, due to the draught conditions no outbreak of locust was reported in the Southern Regions.

### **Main division 10: Resource management (N\$ 47 323 052.23 – 44.67%)**

The under spending on the recurrent budget was mainly due to a lack of staff. Positions were not filled to the cumbersome process of recruiting staff, resignation of staff members and the Ministerial restructuring process which was delayed.

Other contributing factors for the development budget include:

The tender for providing water quality equipment was awarded late in the financial year. The directorate prioritized the acquiring of critical equipment only for the remainder of the financial year and as a result all allocated funds could not be spent before the end of the financial year.

The process for the enactment of the Water Resources Management Bill took longer than anticipated; therefore the funds that were intended for acquiring consultancy services for the drafting of Regulations and Guidelines could not be spent during the financial year. The awareness raising visits to all regions could also not materialize.

The delaying of the Ministerial Restructuring process hampered the construction of Basin Management offices, which was budgeted for as staff could not be appointed to man offices. Keeping them unoccupied would make them prone to vandalism.

The Vioolsdrift/ Noordoewer Dam Project which is a joint project with South Africa was delayed, as both countries had to obtain Tender Board Exemption from their respective Tender Boards. The project was initiated with the funds from Namibia while waiting for South Africa to obtain their Tender Board Exemption.

The construction of a weir at Sendelingsdrift was delayed due to the floods, which washed away the Cofferdam. Only after re-building of the Cofferdam could construction be resumed.

The Agreement between Government and the development partners (EU and GIZ) stipulates that the funds of the partners must first be spent for the Geohydrological Investigations in the Cuvelai-Etosa Basin before the Government budget can be utilized.

The Stampriet Trans-boundary Groundwater Investigation is a joint project between Botswana, Namibia and South Africa coordinated by UNESCO. Each country was tasked to budget one million Namibian dollars (N\$ 1 000 000). The project did not commence in the financial year and as such money was not utilized.

The request for proposals to build the desalination plant was issued on the 31<sup>st</sup> October 2011 and the bidders submitted their proposals by 29<sup>th</sup> June 2012. The evaluation process took place from 11<sup>th</sup> July 2012 but could not be finalized during the financial year under review due to the complexity of the project.

## ANNEXURE A (continued)

### **Main division 11: Rural water supply (N\$ 268 813 877.20 – 44.36%)**

The biggest contributor to the under spending on the Development budget is the construction of the Neckartal Dam project: The retendering process took a number of months due to the magnitude of the project and the following is the chronological order of events:

On 18 September 2012, Tender Board of Namibia approved pre-qualification of three Tenderers namely Neckartal Joint Venture, Salini Spa and Vincci Orascom.

On 9 October 2012, the tender documents were issued to the three pre-qualified tenderers.

On 23 October 2012, a compulsory site inspection meeting took place.

Completed tender offers were received on 22 January 2013.

Tender evaluation was completed on 27 February 2013.

As a result of that process, the tender could not be awarded within the same financial year resulting in underexpenditure of about ninety percent (90%).

The under spending on the recurrent budget is from the vacant posts that were not filled due to the recruitment process of the professional categories, fluctuation/movement of personnel due to deaths, retirement, resignations and promotions. This represents about ten percent (10%) of the underexpenditure.

### **Main division 12: Forestry (N\$ 14 433 053.39 – 11.57%)**

The under spending under this main division is due to the fact that the Directorate of Forestry was unable to fill some of the vacant senior positions such as the Deputy Director Forest Research, three Principal Foresters and one Senior Forester during the financial year. Funds budgeted for uniforms could not be spent as the two directorates, Veterinary Services and Forestry could not agree on a suitable colour for the uniform, leading to the under spending.

Under spending on Capital projects was due to the fact that many building works were supposed to be implemented through the Department of Works. Nine million N\$ 9 000 000 were set aside for Gobabis Forestry of which the Ministry of Works and Transport promised that they will be able to spend at least fifty percent (50%) of the budgeted funds before the end of the financial year, which did not happen.

Other funds that were earmarked for the construction of various houses, bachelor flats, Agricultural Development Center (ADC) offices, and fire truck shelters across the country could not be utilized as anticipated as the contractors could not finish their projects in time.

**8.5.2 Departmental revenue: Explanations of deviations of NS 100 000 and above.**

**(i) Over-estimated**

**Sale of stock and farm produce**

Fewer animals were sold to Meatco because the Ministry had to keep animals for the Sandveld research trails. Due to the higher rainfall and improved grazing capacity, the biomass stocking rate had to be increased. More than one hundred animals were therefore not available for slaughter. Other contributing factors were the drop in market prices due to demand and supply.

**Veterinary and clinical services**

The decrease in revenue is attributed due to the increase of incidences of State controlled diseases which the State must pay for. During the year under review there were incidences of prolonged outbreaks of State controlled diseases (Foot and Mouth diseases in the Zambezi region and the contagious Pleuropneumonia/ lung sickness in Kunene, Ohangwena and Kavango East region of the Veterinary cordon fence. These are all diseases of economic importance and by law, and as a result the State must cover all expenditure associated with the control thereof.

**Auction fees**

The original auctions estimated were high, but the Ministry had to keep animals back because of lower prices and help other Government farms. Sale prices were much lower than anticipated.

**(ii) Under-estimated**

**Miscellaneous**

The increase in collection of revenue under this code is mainly attributed to the fact that many under script payments were put under miscellaneous.

**Sale of furs and wool**

The price received for Karakul (Swakara) pelts from abroad increased drastically thus leading to more revenue collected.

**Registration fees on remedies, feeds, fertilizers**

Better controlling measures regarding the import of registered products lead to more revenue collected than anticipated.

## **ANNEXURE A (continued)**

### **Ploughing services**

The Government re-implemented the dry land crop programme where subsidized ploughing services were provided to the farmers. The farmers made use of the programme.

### **Seeds and Fertilizers**

The Dry Land Crop programme also includes the purchase of Agriculture inputs (seeds and fertilizer) and sells it to the farmers at a subsidized price. The demand from communal farmers was very high, thus resulted in more revenue collected.

### **Sale of water and electricity: employees**

Sonop, Sandveld, Sachinga and Ales Mulanda were connected to the Electricity Grid of Namibia. Individual meters were installed and staff members paid for electricity consumed.

### **Meter linkage and rental fees**

The number of private take off has exceeded expectations, which resulted in the increase of estimated revenue from N\$ 728 975 to N\$ 3 133 600, an increase of 330%. People who could afford were allowed to do private connections to Rural Water Supply storage facilities in consultation with the local water points and pipelines for their own convenience.

### **Permit Fees**

The public has become aware of the forest legislation; therefore most of the people were applying for forest permits. There has been a high demand for the import and export of plants and plant products, which led to more permits being issued. More revenue on veterinary import permits were collected due to an increase in the import of chicken pork and processed meat (cooked beef, mutton, lamb) due to the ban on the import of fresh beef, mutton/lamb and pork from South Africa. The ban was imposed to prevent introduction of the Foot and Mouth Disease virus (FMD) from the Republic of South Africa, where the FMD outbreak was detected.

## ANNEXURE A (continued)

### 9. GENERAL INFORMATION

#### 9.1. Bank accounts

During the financial year under review, the Ministry operated the following bank accounts for various programmes with commercial banks.

Name and description of account	Financial institution	Bank statement balance as at 31/03/2013
		N\$
Embassy of Namibia Agriculture Account	ING – Brussels Sweden	493 081.70*
Northern Regions Livestock Development Project: Training bank account	Standard Bank - Windhoek	4 768 373.73
Northern Regions Livestock Development Project: 32 days call account	Standard Bank - Windhoek	3 150 529.79
Capital Project Account ( Pro Trusses): 32 day investment account	Standard Bank - Windhoek	1 494 140.33
Integrated Water Resources Management (IRBM) Plan	Standard Bank - Windhoek	28 957.25
Integrated Water Resources Management (IRBM) Plan call account	Standard Bank - Windhoek	366 065.68
Emergency Animal disease control	FNB-Windhoek	4 251 755.17
MAWF-Water support	FNB- Windhoek	51 696 074.25
Project Immunoprophylaxis and molecular epidemiology	Nedbank- Windhoek	695.45
MAWF-Neckartal Dam Project	Standard Bank – Windhoek	229 213 477.63
Sikondo Irrigation farm	Bank Windhoek	5 627 208.14

\*Exchange rate: €1.00 = N\$ 12.9396 (Bank account Balance €38 106.41)

#### 9.2. Compensation Payments

During the financial year under review, the Ministry made compensation payments amounting to N\$ 98 377.65 with the necessary Treasury approvals.



**ANNEXURE A (continued)**

**9.3. Commissions and committees**

The following expenditure was incurred by the commissions and committees that operated under the Ministry in respect of daily subsistence allowance (DSA), catering, transport, other costs and membership fees during the year under review:

Beneficiary	Date of appointment	Expenditure	
		2012/2013	2011/2012
		N\$	N\$
Co-operative Advisory Board	21 /12/1996: Act 23 of 1996	126 883.35	311 898.20
Okavango River Basin Water Commission	15 /09/1994: Cabinet decision	173 019.17	136 893.91
Orange Sengu River Basin Commission (ORASECOM)	3 /11/2000: Cabinet decision	53 596.01	55 297.54
Permanent Joint Technical Committee on the Kunene River	18/9/1990: Cabinet decision	-	-
Zambezi River Basin Commission	Under negotiation	41 916.75	2 699.66
SADC Water Resources Technical Committee	Unknown	17 374.82	4 250.00
Permanent Water Commission PWC between Namibia and South Africa	14/09/1994: Cabinet decision	2 606.00	6 530.50
AMCOW	2002	1 971.28	3 163.84
<b>Total</b>		<b>417 367.38</b>	<b>520 733.65</b>

**9.4. Debts to the Government**

The Accounting Officer reported the following debt to the Government.

Description	Balance as at 31/03/2012	New cases for 2012/13	Rectifications / Written offs	Over deduction/ refunds	Payments for the year	Balance as at 31/03/2013
	N\$	N\$	N\$	N\$	N\$	N\$
Study debt	12 554.29	-	-	-	-	*12 554.29
Vehicle damages	2 068 520.58	530 209.93	122 787.27	7 551.76	110 453.26	2 373 041.74
Unpaid leave	422 164.36	37 298.86	908.28	13 400.87	111 657.34	360 298.47
Theft/Fraud	95 996.38	121 535.45	3 305.21	-	8 485.38	205 741.24
Overpayments	1 517 730.55	271 499.96	85 204.31	46 434.52	476 615.46	1 273 845.26
Veterinary services	44 153.00	-	-	-	-	44 153.00
Surcharges	70 541.43	7 009.70	2 657.97	-	18 451.47	56 441.69
Maternity leave	32 948.83	50 530.00	603.12	-	3 455.12	79 420.59
Others	377 913.94	31 091.55	5 049.08	1 717.72	70 679.64	334 994.49
<b>TOTAL</b>	<b>4 642 523.36</b>	<b>1 049 175.45</b>	<b>220 515.24</b>	<b>69 104.87</b>	<b>799 797.67</b>	<b>4 740 490.77</b>

## 9.5.1. Capital projects (Funded by the Namibian Government)

The following were development projects of the Ministry during the 2012/2013 financial year:

Name of project	Approved total estimated cost	Approved appropriation 2012/2013	Total expenditure at 31/03/2012	Actual expenditure 2012/2013	Total expenditure at 31/03/2013	Expected year of completion
Expansion of intranet and the implementation of E-Governance for MAWF	N\$ 12 369 000	N\$ 572 000	N\$ 10 828 367.26	N\$ 62 955.86	N\$ 10 891 323.12	31/03/2013
Construction of MAWF regional offices	164 093 000	104 500 000	54 737 146.81	72 995 829.32	127 732 976.13	31/03/2013
MAWRD buildings construction, renovation and upgrading	60 307 000	11 825 000	75 960 058.47	11 825 000.00	87 785 058.47	01/03/2015
Construction of veterinary clinics, offices and accommodation	95 043 000	25 612 000	68 519 431.96	25 588 972.08	94 108 404.04	28/02/2016
Improvement of animal health marketing services	67 037 000	7 000 000	38 852 012.93	6 906 053.84	45 758 066.77	28/02/2015
Extension of the central veterinary laboratory	109 547 000	10 000 000	96 130 502.06	9 622 394.60	105 752 896.66	30/03/2015
Development of plant and animal health inspection centers	41 591 000	8 000 000	25 469 286.20	7 999 856.47	33 469 142.67	31/03/2015
Development of livestock breeding & marketing infrastructure in communal areas	29 826 000	4 925 000	31 580 703.22	4 918 675.00	36 499 378.22	31/03/2013
Upgrading, Maintenance of Farm infrastructure & improvement of systems & Training Institutions & Research Stations	80 950 000	12 157 000	60 469 514.05	9 361 318.03	69 830 832.08	31/03/2014
Support to processing of indigenous plants and mahangu	11 340 000	500 000	2 075 955.40	500 000.00	2 575 955.40	14/04/2013
Construction of Agricultural Development Centers	51 600 000	4 160 000	39 951 915.83	4 159 965.52	44 111 881.35	31/03/2013
Kalimbeza Rice Project	32 211 000	5 000 000	23 817 000.00	5 000 000.00	28 817 000.00	31/03/2013
Development of agricultural technology centers	60 813 000	1 145 000	56 223 680.00	1 145 000.00	57 378 680.00	31/03/2013
Green scheme	3 311 198 000	2 15 932 000	685 323 341.41	215 932 000.00	901 255 341.41	01/03/2013
Integrated grain storage facilities	80 014 000	6 729 000	55 847 000.00	6 729 000.00	62 576 000	31/03/2013
National horticulture development initiative (production, marketing and processing)	1 680 371 000	52 221 000	235 490 438.71	52 221 000.00	287 711 438.71	31/03/2015
Agricultural feasibility studies and surveys	26 634 000	3 240 000	29 144 520.49	1 195 394.53	30 339 915.02	31/03/2013
Research and feasibility studies in water resource management	130 677 000	32 266 000	58 321 601.76	19 355 266.72	81 148 404.55	31/03/2015
Integrated water resource management implementation at Basin level	126 262 000	14 580 000	106 811 229.74	3 471 536.07	106 811 229.74	31/03/2015
Rural water supply coverage (Rural secondary pipeline construction)	1 208 849 000	100 025 000	573 625 709.81	86 972 290.01	660 597 999.82	31/03/2015
Implementation of decentralization, constituency office construction	25 822 000	1 603 000	86 541 250.36	1 183 809.67	87 725 060.03	31/03/2014
Implementation of community based management	267 664 000	44 294 000	180 488 194.21	37 981 169.73	218 469 363.94	31/03/2014
Construction of large dams, desalination and provision of water to larger settlements	2 813 730 000	260 010 000	491 092 318.08	48 179 651.36	539 271 969.44	31/03/2013
Construction of dams, traditional wells and pans for livestock drinking	82 613 000	17 000 000	55 289 014.91	4 008 581.97	59 297 596.88	31/03/2013
Rural & urban sanitation infrastructure development	89 576 000	10 000 000	26 606 042.47	9 422 962.66	36 028 735.13	30/04/2030
Integrated forest resource management	231 268 000	60 000 000	132 642 346.26	49 720 650.41	182 362 996.67	31/03/2013
<b>TOTAL</b>	<b>10 891 405 000</b>	<b>1 013 296 000</b>	<b>3 301 848 582.40</b>	<b>696 459 063.85</b>	<b>3 998 307 646.25</b>	

**ANNEXURE A (continued)**

**9.5.2 Donor funded projects**

The following development projects of the Ministry were funded externally:

Name of project	Approved total estimated cost	Amount funded 2012/13	Donor	Year of completion
	N\$	N\$		
Geohydrological investigation of the Cuvelai basin including the feasibility of desalination	22 000 000	6 800 000	Germany – BGR	30/04/2013
MAWF-GIZ	62 100 000	6 654 069	GIZ	31/12/2013
IWRM in Cuvelai basin	38 500 000	6 859 134	EU – ACP	31/12/2013
<b>Total</b>	<b>122 600 000</b>	<b>20 313 203</b>		

**9.6. Bursary and study assistance**

During the financial year under review the Ministry awarded bursaries to the amount of N\$ 5 637 690.25 to ninety one (91) of its employees.

**9.7 Donations**

**(i) To the Government**

During the financial year the Ministry received the following donation without Treasury approval

Donor	Nature of donation	Value	Authorization
Government of the People's Republic of China	20 Computers, 3 Printers, 3 Toners, 2 Digital Cameras, 2 Televisions sets, 2 Television stands, 1 DVD player, 50 electrical plugs.	N\$ 7 856 519.75*	Request was submitted for approval to Treasury and not yet received.
<b>Total</b>		<b>7 856 519.75</b>	

\*Exchange rate: (Value of donation USD 806 500)

USD 1.00 = N\$ 9.7415

**(ii) Donations by the Government**

During the financial year, Treasury approved the donation of 100 000 tree seedlings at a total value of N\$ 800 000 to various institutions.

**ANNEXURE A (continued)**

**9.8 Tender Board exemptions**

The Ministry obtained the following exemptions from normal Tender Board procedures for acquiring goods and services valued at N\$ 415 788 000.

Description of goods /services	Exemption number	Amount approved	Actual expenditure	Difference
		N\$	N\$	N\$
Annual Tender Board Exemption from tender procedures: 2012/13 financial year	E1/18/1-1/2012	*406 028 000	*56 761 054.51	349 266 945.49
Exemption to call for a Q-tender for the design, layout and printing of three thousand copies of the Ministerial Quarterly Newsletter for 2012/13	E1/18/1-2/2012	160 000	160 000.00	-
Exemption to alleviate the acute water supply shortages as a result of the declared drought situation in the Kunene Region and ad hoc work required by the Ministry of Lands and Resettlement	E1/18/2-1/2012	9 600 000	2 294 991.39	7 305 008.61
<b>Total</b>		<b>415 788 000</b>	<b>59 216 045 .90</b>	<b>356 571 954.10</b>

\*See paragraph 4.1.3

**ANNEXURE A (continued)**

***Tender Board exemptions (Continued)***

\*The annual Tender Board Exemption amount comprises the following:

DESCRIPTION	Approved amount	Actual expenditure
	N\$	N\$
Daily travel and subsistence allowances	69 093 000	2 024 578.20
Consumable for computers, photocopiers, typewriters, calculators and fax machines	4 000 000	1 537 028.45
Library supplies, books, periodicals, newspapers and subscriptions	800 000	641 212.40
Variety of stock feeds and licks	2 000 000	-
Spares for windmills	500 000	-
Video recordings from copyright holders and camera films, developing and enlargement of photos	4 500 000	-
Purchase of agro chemicals	2 500 000	100 085.78
Services and repairs	2 500 000	150 136.83
Laboratory consumables and equipment	5 000 000	1 035 566.26
Purchase of breeding stock	2 750 000	41 500.00
Essential germplasm for horticultural and agricultural use	1 150 000	93 080.00
Purchase of grain (maize, mahangu and wheat)	8 000 000	-
Purchase of software licenses	5 000 000	114 712.50
Purchase of fencing materials	5 000 000	2 497 086.15
Purchase of foot and mouth disease and CBPP vaccines	10 000 000	2 717 923.44
Purchase of filter gravel and chemicals for drilling	200 000	-
Hiring of private aircraft and pilots	4 000 000	-
Utilities	90 000 000	24 912 316.38
Repair and purchase of emergency spares, special items and equipment for water supply	5 000 000	413 669.81
Repairs to laboratory and electronic research equipment	1 700 000	99 942.27
Maintenance, repairs and support services for flood warning equipment installations	700 000	116 650.25
Installation of water tanks for orchard and woodlot development	500 000	58 786.42
Clearing agents	250 000	1 271 521.65
Hiring of earth moving equipment	2 000 000	20 210.00
Other services and expenses	43 700 000	11 383 210.68
Payments to implementing agents, national and international organizations and statutory bodies	94 385 000	95 560.40
Purchase of emergency spares, HF communication equipment and spares, special items and equipment for water supply, agricultural, construction and hydrological equipment	25 000 000	6 080 642.15
Purchase of equipment to apply agrochemical substances	1 500 000	-
Purchase of spare parts for mechanical and heavy equipment	2 500 000	108 830.81
Purchase of accessories for Ministerial vehicle fleet	2 000 000	165 389.64
Service and repairs on mechanical and heavy equipment	900 000	253 634.76
Vehicle licenses for Ministerial vehicle fleet	3 500 000	281 126.00
Purchase of heavy load tyres	1 900 000	-
Service and repair of trucks above 3 ton carrying capacity and above for towns where there is no approved annual contractor	1 500 000	-
Rebuilding of vehicles	500 000	-
Purchase of camping equipment	1 500 000	546 653.28
<b>Total</b>	<b>406 028 000</b>	<b>56 761 054.51</b>

## **9.9 Equipment**

The Ministry conducted stocktaking during the year under review and losses to the value of N\$ 314 792.50 and surpluses amounting to N\$ 220 007 were revealed.

## **9.10 Vehicles**

### **(i) Motor vehicles**

The total value of vehicles on hand at 31 March 2013 amounted to N\$ 126 762 909.89.

### **(ii) Cost of damages to government property**

One hundred and twenty nine (129) vehicle accidents were reported for the year under review with damages estimated at N\$ 1 094 514.74. Only forty six (46) vehicles were repaired at a cost of N\$ 660 149.23. Two hundred and seventy three (223) vehicles were auctioned for N\$ 4 910 760.89.

## **9.11 Losses and Damages**

The Ministry suffered losses through irregularities by persons employed by the Government in respect of vehicles amounting to N\$ 38 236.38, equipment valued at N\$ 51 497.36 and loss of money totaling N\$ 92 332.81.

## **9.12 HIV/AIDS**

During the financial year under review, the Ministry incurred expenditure relating to development and implementation of a Fresh and Fit work place program and technical support in respect of HIV/AIDS amounting to N\$ 1 261 793.98. Of this amount, N\$ 1 074 000.00 was funded by donor funds (GIZ).

## **9.13 Subsistence allowances outstanding**

The statement submitted by the Accounting Officer indicated an amount of N\$ 181 897.24 outstanding at 31 March 2013 which also corresponded to the suspense account balance. Most of the advances were paid off during March 2013 and as such the amount reported only represents advances outstanding within the allowed 30 day period.

Balances which are outstanding for longer than the 30 days amounted to N\$ 41 258.06 of which an amount of N\$ 19 958.74 was recovered, resulting in an outstanding balance of N\$ 21 299.32 at 31 March 2013.

#### 9.14 Suspense accounts

The Ministry had balances on five (5) suspense accounts at 31 March 2013. Two (2) had debit balances and three (3) credit balances. All of the accounts had balances of more than N\$ 100 000:

<b>DESCRIPTION</b>	<b>Balance as at 31/03/2013 Debit / (Credit)</b>
	N\$
Equipment Trade Account	(74 750 869.14)
S&T Advance Suspense Account	181 897.24
Rejection Account	4 740 490.77
Seed and Fertilizer Scheme – Kavango Region	(5 274 158.89)
Bills Payable	(8 211 260.02)

WINDHOEK, 2013-12-13

**JOSEPH IITA**  
**ACCOUNTING OFFICER**