



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

**MINISTRY OF EDUCATION**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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**REPUBLIC OF NAMIBIA**



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

I have the honour to submit herewith my report on the accounts of the Ministry of Education for the financial year ended 31 March 2014 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, June 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
MINISTRY OF EDUCATION  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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**1. REPORT ON THE FINANCIAL STATEMENTS**

**1.1 INTRODUCTION**

This report on the accounts of the Ministry of Education for the financial year ended 31 March 2014 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.

I have audited the accompanying financial statements of the Ministry of Education for the financial year ended 31 March 2014. These financial statements comprise the following statements submitted for the year then ended:

- Appropriation account;
- Standard subdivisions;
- Departmental revenue;
- Notes to financial statement; and
- General information.

The appropriation accounts were submitted timeously by the Accounting Officer to the Auditor-General on 21 October 2014 in terms of Section 13 of the State Finance Act, 1991.

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

**1.2 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 relevant 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.

**1.3 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 the audit opinion.

## **1.4 KEY AUDIT FINDINGS**

### **1.4.1 Unauthorized Expenditure**

- (i) The total budget of the Ministry was overspent with an amount of N\$ 630 882 608.63 (5.87%) which is authorized in terms of section 6(a)(i) of the Act.
- (ii) Four (4) main divisions were exceeded by a total amount of N\$ 660 091 574.80 which is unauthorised in terms of section 6(a)(ii) of the State Finance Act.
- (iii) Although Treasury Approval was obtained to utilise certain expected savings for the defrayal of excess expenditure through virements during the year, sixteen (16) subdivisions were exceeded by a total amount of N\$ 774 344 995.94 which is unauthorised in terms of section 6(a)(iii) of the State Finance Act.

It is recommended that the Accounting Officer should closely monitor and review the financial position of the Ministry on a continuous basis to enable better financial control, and take appropriate action timeously to avoid unauthorised expenditure.

## 1.4.2 Virements

The following differences were noted between the virements approved by Treasury and virements reflected in the Appropriation Account:

Main division	Approved virements	Appropriation account	Differences
	N\$	N\$	N\$
01-Office of the Minister	90 054	97 200	(7 146)
02-Administration	161 804 959	157 148 620	4 656 339
03-Programme quality assurance	226 424 005	215 728 328	10 695 667
04-PrExplanatory education	(217 817 351)	(131 637 373)	(86 179 978)
05-Secondary education	(3 614 605)	(40 381 506.80)	36 766 901.80
06-Library and information services	(17 676 819)	(13 771 130)	(3 905 689)
07-Adult education	(7 310 779)	(50 428)	(7 260 351)
08-Higher education	(13 742 100)	(8 378 083)	(5 364 017)
09-Planning, research and development	(3 420 690)	3 192 314	228 376
10-Vocational and technical training	(9 567 852)	(3 492 622)	(6 075 230)
11-Hostel	171 321 956	105 739 734	65 582 222
12-Science technology and innovation	(6 863 233)	(6 590 620)	(275 613)
13-HIV/AIDS monitoring unit	(7 836 986)	(4 614 492.70)	(3 222 493.30)
14-Pre-primary Educationf	(228 922 812)	(224 528 236)	(4 394 576)
15-National Institute of Education and Development	(650 175)	107 371	757 546
16-Examinations	(10 019 087)	(10 271 504)	252 417
17-Building and Infrastructures	(17 888 942)	(18 974 720)	1 085 778
18-Namibian Student Financial Assistance	(2 692 942)	(2 874 971)	182 029
19-Information and Commission Technology	(16 375 037)	(13 655 776)	(2 719 261)
20-Namibian National Commission	(2 709 406)	(2 792 103)	82 697

It is recommended that reconciliations are carried out to ensure the correctness of records and that virements in the General Ledger agree with those approved by Treasury.

## 1.4.3 Suspense accounts

The main ledger shows balances on eight (8) of the Ministry's suspense accounts as at 31 March 2014 of which four had credit balances and four (4) had debit balances. The following are the amounts reflected in the General Ledger exceeding N\$ 100 000:

Description	Debt/(Credit)
	N\$
Receipt suspense	(21 284 015.64)
RD cheques	144 076.31
S&T advance suspense account	730 156.34
Rejection account	538 388.41
Bills payable	(35 600 409.73)
Pension Fund (GIPF)	(977 997.27)

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

## 1.4.4 Explanation of variations exceeding 2 %

The Accounting Officer did not provide explanations for variances in excess of 2 % for main division 04: Primary Education and main division 05: Secondary Education.

It is recommended that the Accounting Officer should ensure that explanations for variations in excess of 2% be submitted for audit purposes as required by Circular D12/2010 of the Auditor-General.

#### **1.4.5 Explanation of variations for revenue exceeding N\$ 100 000**

The Accounting Officer did not provide explanations of variances exceeding N\$ 100 000 as required by Circular D12/2010 of the Auditor-General.

It is recommended that the Accounting Officer should provide explanations for variance of revenue exceeding N\$100 000.

#### **1.4.6 Tender Board exemption**

The exempted amount for one subdivision was exceeded with an amount of N\$ 160 874 011.69.

It is recommended that the Accounting Officer put measures in place to avoid the approved exemptions to be exceeded or to approach Tender Board when additional exemptions are needed.

### **1.5 ACKNOWLEDGEMENT**

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

### **1.6 BASIS FOR AUDIT OPINION**

My opinion has been qualified due to the following:

- (a) Unauthorised expenditure: Paragraph 1.4.1
- (b) Virements: Paragraph 1.4.2
- (c) Suspense accounts: Paragraph 1.4.3

### **1.7 QUALIFIED AUDIT OPINION**

I certify that I have audited the financial statements of Ministry of Education, for the financial year ended 31 March 2014 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, except for the possible effects of the matters described in the basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Ministry of Education as at 31 March 2014 and its financial performance and its cash flows for the year then ended in accordance with Section 12 & 13 of the State Finance Act, 1991.

**WINDHOEK, June 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## ANNEXUTURE A

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2013/14						2012/13
Service	N\$	Authorised expenditure N\$	Actual expenditure N\$	Variations		Actual expenditure N\$
				Under- expenditure/ (Excess) N\$	Percent -age %	
<b>01. Office of the Minister:</b>						
Original budget	3 778 000.00					
Plus: Virements	97 200.00	3 875 200	3 239 992.90	635 207.10	16.39	3 126 180.67
<b>02. Administration:</b>						
Original budget	54 894 000.00					
Plus: Virement	157 148 620.00	212 042 620	204 827 161.65	7 215 458.35	3.40	1 243 877 653.13
<b>03. Programme Quality Assurance:</b>						
Original budget	76 134 000.00					
Plus: Virement	215 728 328.00	291 862 328	283 980 377.25	7 881 950.75	2.70	413 284 844.54
<b>04. Primary Education:</b>						
Original budget	5 775 841 000.00					
Less: Virement	(131 637 373.00)	5 644 203 627	5 966 316 960.92	(322 113 333.92)	(5.71)	4 143 429 803.16
<b>05. Secondary Education:</b>						
Original budget	1 921 281 000.00					
Less: Virement	(40 381 506.80)	1 880 899 493.20	2 141 864 828.21	(260 965 335.01)	(13.87)	1 073 959 330.54
<b>06. Namibia Library and Information Services:</b>						
Original budget	106 264 000.00					
Plus: Virement	(13 771 130.60)	92 492 869.40	90 372 593.52	2 120 275.88	2.29	79 663 195.36
<b>07. Adult Education:</b>						
Original budget	214 628 000 00					
Less: Virement	(50 428.00)	214 577 572.00	213 499 365.65	1 078 206.35	0.50	172 806 283.33



## ANNEXUTURE A (continued)

## Appropriation account

Service	2013/14					2012/2013
	N\$	N\$	N\$	Variations		N\$
				Under-expenditure/ (Excess)	Percent - age	
<b>08. Higher Education:</b>						
Original budget	1 098 928 000.00					
Less: Virement	(8 378 083.00)	1 090 549 917	1 085 481 082.02	5 068 834.98	0.46	1 657 987 901.52
<b>09. Planning, Research and Development:</b>						
Original budget	9 926 000.00					
Plus: Virement	3 192 314.00	131 18 314	12 968 245.90	150 068.10	1.14	57 955 875.16
<b>10. Vocational and technical training:</b>						
Original budget	297 698 000.00					
Less: Virements	(3 492 622.00)	294 205 378	291 818 135.21	2 387 242.79	0.81	273 943 616.56
<b>11. Hostels:</b>						
Original budget	105 739 734.00	105 739 734	182 743 926.68	(77 004 192.68)	(72.82)	139 678 559.16
<b>12. Science, technology And innovation:</b>						
Original budget	48 087 000.00					
Less: Virement	(6 590 620.00)	41 496 380	41 452 111.38	44 268.62	0.11	42 754 123.37
<b>13. Hamu:</b>						
Original budget	10 758 000.00					
Less: Virement	(4 614 492.70)	6 143 507.30	56 031 313.38	112 193.92	1.83	5 321 603.23
<b>14. Pre-primary &amp; Education</b>						
Original budget	305 157 000.00					
Less: Virement	(224 528 236.00)	80 628 764	80 594 772.22	33 991.78	0.04	-
<b>15. Nied:</b>						
Original budget	26 183 000.00					
Plus: Virement	107 371.00	26 290 371	25 197 004.89	1 093 366.11	4.16	-
<b>16. Examination:</b>						
Original budget	76 967 000.00	66 695 496	65 642 052.90	1 053 443.10	1.58	-
Less: Virement	(10 271 504.00)					
<b>17. Building &amp; Infrastructure:</b>						
Original budget	36 193 000.00					
Less: Virement	(18 974 720.90)	17 218 279.10	17 093 770.65	124 508.45	0.72	-

## ANNEXUTURE A (continued)

## Appropriation account

2013/14						2012/2013
Service	N\$	Authorised expenditure N\$	Actual expenditure N\$	Variations		Actual expenditure N\$
				Under-expenditure/ (Excess) N\$	Percent-age %	
<b>18. Namibian Student Financial Assistant:</b>						
Original budget	621 136 000.00					
Less: Virement	(2 874 971.00)	618 261 029	618 269 742.19	(8 713.19)	-	-
<b>19. Information &amp; Commssion Technologies:</b>						
Original budget	31 698 000.00					
Less: Virement	(13 655 776.00)	18 042 224	18 021 073.75	21 150.25	0.12	-
<b>20. Namibia National Commision:</b>						
Original budget	9345 000.00					
Less: Virement	(2 792 103.00)	6 552 897.00	6 364 097.36	188 799.64	2.88	-
<b>21. Namibia Qualification Authority (NQA):</b>						
	22 664 000.00	22 664 000.00	22 664 000.00	-	-	-
<b>Total</b>		<b>10 747 560 000</b>	<b>11 378 442 608.53</b>	<b>630 882 608.63</b>	<b>(5.87)</b>	<b>9 307 788 969.73</b>

**Annexure A (continued)**

**1.2 Standard subdivisions**

Subdivision	2013/2014			2012/2013
	Authorised expenditure	Actual expenditure	Under-Expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	5 619 954 399.10	6 360 624 947.20	(740 670 548.10)	4 912 001 930.66
002. Employer's contribution to GIPF	832 303 718.00	736 854 326.04	95 449 391.96	594 079 153.97
003. Other conditions of service	75 717 572.00	76 471 540.94	(753 968.94)	65 204 008.41
004. Improvement of remunerative structure	-	-	-	-
<b>Total</b>	<b>6 527 975 689.10</b>	<b>7 173 950 814.18</b>	<b>(645 975 125.08)</b>	<b>5 571 285 093.04</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	8 171 000.00	6 123 362.93	2 047 637.07	6 751 726.78
022. Materials and supplies	11 868 340.00	10 899 696.67	968 643.33	18 630 219.45
023. Transport	9 142 000.00	8 781 034.55	360 965.45	45 894 341.97
024. Utilities	7 645 450.00	7 459 228.03	186 221.97	8 499 639.68
025. Maintenance	1 172 715.00	1 097 011.78	75 703.22	1 108 135.48
026. Property rental and related charges	1 355 921.00	1 094 623.50	261 297.50	1 781 694.01
027. Other services and expenses	231 980 049.90	230 378 864.62	1 601 185.28	291 097 352.31
<b>Total</b>	<b>271 335 475.90</b>	<b>265 833 822.10</b>	<b>5 501 653.82</b>	<b>373 763 109.68</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	1 528 040.00	1 518 125.39	9 914.61	1 142 038.83
042. Domestic	167 500.00	167 500.00	-	167 000.00
<b>Total</b>	<b>1 695 540.00</b>	<b>1 685 625.39</b>	<b>9 914.61</b>	<b>1 309 038.83</b>
<b>Current expenditure: Subsidies, grants and other transfers</b>				
043. Government organisations	2 439 491 915.00	2 439 182 369.15	309 545.85	1 893 559 973.22
044. Individuals and non-profit organisations	879 023 093.00	878 517 052.54	506 040.46	870 071 925.70
045. Public and departmental enterprises and private industries	11 616 400.00	11 549 587.00	66 813.00	12 769 631.48
<b>Total</b>	<b>3 330 131 408.00</b>	<b>3 329 249 008.69</b>	<b>882 399.31</b>	<b>2 776 401 530.40</b>
<b>Total: Current expenditure</b>	<b>10 131 138 113.00</b>	<b>10 770 719 270.34</b>	<b>(639 581 157.30)</b>	<b>8 722 758 771.95</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	1 381 184.00	934 809.72	446 374.28	3 025 530.25
103. Operational equipment, machinery and plant	9 000.00	-	9 000.00	29 252.04
<b>Total: Capital expenditure</b>	<b>1 390 184.00</b>	<b>934 809.72</b>	<b>455 374.28</b>	<b>3 054 782.29</b>
<b>Total: Operational expenditure</b>	<b>10 132 528 297.00</b>	<b>8 725 813 554.24</b>	<b>86 143 445.76</b>	<b>8 725 813 554.24</b>

## ANNEXURE A (continued)

## Standard subdivisions

Subdivision	2013/14			2012/2013
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Development:</b>				
105. Feasibility studies, design and supervision	2 678 000.00	2 676 126.09	1 873.91	11 622 292.93
107. Construction, renovation and improvements	271 090 700.00	263 017 399.48	8 073 300.52	196 353 122.56
131. Government organizations	341 263 003.00	341 095 003.00	168 000.00	374 000 000.00
<b>Total</b>	<b>615 031 703.00</b>	<b>606 788 528.57</b>	<b>8 243 174.43</b>	<b>581 975 415.49</b>
<b>Total: Development expenditure</b>	<b>615 031 703.00</b>	<b>606 788 528.57</b>	<b>8 243 174.43</b>	<b>581 975 415.49</b>
<b>GRAND TOTAL</b>	<b>10 747 560 000.00</b>	<b>11 378 442 608.63</b>	<b>(630 882 608.63)</b>	<b>9 307 788 969.73</b>

## 1.3 Departmental revenue

Revenue for the financial year is as follows:

Revenue head	Estimate	Actual revenue 2013/2014	More/(less) than estimated	Actual revenue 2012/2013
	N\$	N\$	N\$	N\$
Private telephone calls	100 000	9 500.00	(90 500.00)	26 130.00
Unclaimed cheques	4 000 000	-	(4 000 000.00)	-
Miscellaneous	450 000	17 363 740.21	16 913 740.21	11 509 805.94
Lost equipment and stores	10 000	3 507.74	(6 492.26)	10 447.18
Class and examination fees	30 000 000	26 680 395.71	(3 319 604.29)	33 418 570.99
Services rendered by archives and museums	15 000	-	(15 000.00)	2 100.00
Letting of housing	350 000	196 001.65	(153 998.35)	5 300.90
Library registration fees	70 000	26 907.00	(43 093.00)	23 162.15
Hostel fees	14 500 000	12 328 935.75	(2 171 064.25)	12 802 499.42
Trade test monies for apprentices	-	300.00	300.00	-
Letting of facilities	-	-	-	186 908.25
<b>Total</b>	<b>49 495 000</b>	<b>56 609 288.06</b>	<b>(7 114 288.06)</b>	<b>57 984 924.83</b>

## **1.4 Notes to the audited financial statements**

### **1.4.1 Appropriation account: Explanations of variations exceeding 2% between authorised and actual expenditure.**

#### **(i) Underexpenditure**

##### **Main division 01: Office of the Minister (N\$ 635 207.10 – 16.39%)**

Two positions of Private Secretary exist on the establishment of the Office of the Minister. Both these positions were budgeted for the 2013/14 financial year. The one Private Secretary position was vacant during the reporting period. A Private Secretary on the establishment of another Directorate is currently acting in the vacant position. Official visits which were budgeted for in the 2013/14 financial year did not take place.

##### **Main division 02: Administration (N\$ 7 215 458.35 – 3.40%)**

Vacant positions which were budgeted for in the 2013/14 financial year were not filled during the reporting period. The Ministry is in the process to revise its staff establishment where certain positions will be abolished and created on the staff establishments of the Regional Council. It is therefore the reason why the vacant positions were not filled in the 2013/14 financial year. The official visits planned and budgeted for by the Office of the Permanent Secretary did not take place. Staff members responsible for conducting stock taking did not visit all stock points during the financial year.

It is very difficult to estimate the correct amount to budget in respect of claims that will be submitted against the Ministry. During the 2013/14 financial year, fewer claims were received where the Office of the Government Attorney recommended that the Ministry must settle. There was a delay in finalising the submission to Tender Board to obtain approval to purchase new computers. The computers currently in use are out dated.

##### **Main division 03: Programme Quality Assurance (N\$ 7 881 950.75 – 2.70%)**

Five professional staffing positions such as Audiologist, Speech Therapist and Educational Psychologist exist on the establishment of the Directorate: Programme Quality Assurance. All of the mentioned positions were budgeted for the 2013/14 financial year. The Directorate is experiencing difficulties to fill the mentioned positions because of higher salaries paid by the private sector. During the reporting period only one of the positions were filled.

During the 2013/14 financial year, three Chief Education officers, employed by the Directorate retired. The positions were immediately advertised but could only be filled towards the end of 2013. Due to the vacant positions that exist within the Directorate: Programme Quality Assurance less official trips could take place than budgeted for.

##### **Main division 06: Namibian Library and Information services (N\$2 120 275.88 – 2.29%)**

High turn over of staff and vacancies that could not be filled. The reason why staff members of the Library and Information services resign to take up other employment offers are a result of the low salary package offered by Government service. Vacancies advertised can as a result of the same reason not be filled.

The vacancies that existed on the structure of the Ministry resulted in less money spent on subsistence and travel allowances and Transport. Library books ordered through approved Tenders were not delivered in full. It resulted that payment could only be affected during the next financial year.

The Tender for the construction of the Outapi Community Library was awarded to a successful tenderer. The contractor could however, not provide the necessary performance guarantee which delayed the beginning of the construction of the community Library. N\$ 7 300 000 of the budgeted provision of N\$9 472 000 was viremented to other projects where an excess was experienced. The construction work was so much delayed that only N\$ 1 181 697 of the remaining N\$ 2 172 000 could be spent during the 2013/14 financial year.

**Main division 15: NIED (N\$ 1 093 366.11 – 4.16%)**

During the 2013/14 financial year budgetary provision was made to purchase textbooks for the revised curriculum as well as teaching materials for pre-primary learners. There was a delay by the Publisher to print the ordered textbooks which resulted that less funds had been spent. Teaching material and playground equipment were ordered by the National Institute for Education Development from the Government stores. The Institution did not have stock on hand and had to order from a private supplier. The budgetary provision for the teaching materials and equipment for preprimary learners could therefore not be spent in full during the reporting period. The National Institute for Education Development is responsible to provide training to teachers in the implementing of revised/new curriculums. Fewer workshops were held by the Institution which resulted that not all funds budgeted for catering was spent.

**Main division 20: Namibian national commission (N\$188 799.64 – 2.88%)**

The executive Board Meeting of Unesco takes place annually during April of each year. However, the meeting of 2014 took place in March 2014. Staff members of the Ministry were therefore obliged to take subsistence and travel advances during March 2014 where after the claims were processed in April 2014. The subsistence and travel expenses of the staff members to attend the Executive Board Meeting were therefore, reflected as an underexpenditure in the 2013/14 financial year.

**(ii) Over-expenditure**

**Main division 11: Hostel (N\$ 77 004 192.68 – 72.82%)**

The reward Management Policy approved for Government was implement on the staff members/teachers salaries during July 2013. When compiling the Quarterly execution report for 2013/14 which covered the period April till Septemebr 2013, the Ministry noticed that 58.6% of its budget allocation of N\$10 747 560 000 had already been spent. A payroll expenditure forecast printed from IFMS revealed the monthly gross salary of the Ministry before the implementation of the reward policy was about N\$ 540 million. After the implementation during July and August 2013, monthly gross salary of the Ministry increased to N\$595 million.

The Ministry informed the Ministry of Finance by means of a letter with dated 15 January 2014 that the allocation made to the Ministry for the implementation of the reward management policy was insufficient. In the mentioned letter it was indicated that the Ministry will incur over expenditure on its remuneration budget line for an amount of approximatelyN\$ 662 million.

The Ministry experienced a high turnover of staff members/teachers during the 2013/14 financial year. This is a result of resignations/death and normal retirement. Sufficient budgetary provision could not be made in respect of leave gratuity payments.The Ministry did not request treasury approval to transfer (virement) underexpenditure to make provision for the excess that existed on other conditions of service.

**1.4.2 Revenue: Explanations of variations exceeding N\$ 100 000 between estimated and actual revenue.**

**(i) Under estimated**

**Miscellaneous**

Salary cheques received back from the various paypoint must be written back on the IFMS Computer System. The account code of the miscellaneous revenue heading is credited when the journal entry is processed by the computer system. It is difficult to estimate the revenue to be collected during the financial year in respect of written back cheques. The Ministry will increase its revenue estimate in respect of the mentioned revenue heading for the next MTEF period.

**(ii) Over estimate**

**Hostel fees**

Less revenue was collected under this revenue heading due to the fact that boarders requested to be exempted from paying prescribed hostel fees. More parents requested for such exemptions and it can be as a result of the inability of parents to pay the hostel fees.

**Unclaimed cheques**

No cheques older than six months were written back. The Ministry did not estimate any revenue to be collected under the mentioned revenue heading, as from the 2014/15; 2015/16 and 2016/17 MTEF periods.

**Class and examination fees**

The estimate of N\$ 30 000 000 for class and examination fee was based on 557 230 subjects entries for October/November 2013 national examination. The amount collected for the reporting period is however N\$26 680 396. The above collected fees are for the grade 10 (JSC) and grade 12 (NSSC) examinations. The overall collection of N\$26 680 396 is less than the estimated amount of N\$30 000 000. This is as a result that fewer candidates enrolled in both grade 10 and grade 12 full time and part-time candidates.

## 2. GENERAL INFORMATION

### 2.1 Miscellaneous revenue

The miscellaneous revenue collected by the Ministry during the financial year under review comprises of the following:

<b>Detail/Nature</b>	<b>Amount</b>
	N\$
Payroll reversals	12 256 363.90
Debt Establishment Reconciliation:FY2013/14	384 697.51
Correction of motor reserve account:FY 2012/13	101 695.14
ETSIP Program Transfer credit	59 385.22
NANTU Secondment Repayments	74 471.00
Misappropriation repayment	1 413.00
Repayment of wrongly transferred ministerial:	195 706.00
Surplus	9 707.09
Late Fees	234.60
Copies	17 063.90
Fax	260.00
Regional Recovery against vote	48 309.73
Syllabus	235.00
School Feeding	1 850.00
S&T Advance	1 052.00
Misconduct	1 000.00
Stale cheques	4 044 533.65
EFT Reconciliation:FY2013/2014	165 762.47
<b>Total</b>	<b>17 363 740.21</b>

### 2.2 Revenue outstanding

The following revenue in regard of hostel fees was outstanding as at 31 March 2014 due to financial inability of parents/guardians:

<b>Region</b>	<b>Amount</b>
	N\$
Kunene	48 068.00
//Karas	122 400.00
Omusati	58 373.00
Ohangwena	89 023.00
Hardap	99 148.75
Zambezi	6 045.00
Erongo	6 939.00
Kavango	158 235.00
<b>Total</b>	<b>588 231.75</b>

### 2.3 Compensation payments (Valid claims against the State)

During the financial year under review, the Ministry paid a total amount of N\$ 564 052.54 as a settlement of civil claims against the State with the necessary Treasury approvals.



## 2.4 Bursary and study assistance

During the financial year under review the Ministry paid study assistance to the amount of N\$ 179 431.99 for twenty four (24) staff members studying at various institutions in Namibia and South Africa. The study assistance was for capacity building and staff motivation.

## 2.5 Donations to Government (foreign and local instances)

During the financial year the following donations were received from various international and local institutions as well as Governments with the necessary Treasury approvals:

Name of donor	Nature of donation	Value of goods
NABIRM LLC	Books computers printers and television sets.	N\$ 6 486.87
Institution Camoes Portugal	Textbooks and related resources	113 256.68
Samsung Electronic African in South Africa	Unit solar powered Internet school and one unit solar power generator.	892 860.26
Millenum Challenge Account Namibia	Three Hino 500 1322 4x4 (AG5) trucks	2 080 534.89
The Swapo Youth League	Computers to one school in each of the thirteen regions	49 931.85
<b>Total</b>		<b>3 143 070.55</b>

## 2.6 Tender Board exemptions

The Tender Board approved the following exemptions from normal tender procedures:

Tender Board Reference	Description	Approved amount	Actual expenditure	Difference less/(more)
		N\$	N\$	N\$
<b>E1/9 – 1/2013</b>	Travel expenses	5 206 822	1 464 719.80	3 742 102.20
	materials and supplies	11 698 767	10 798 700.00	900 067
	Transport	2 802 000	2 573 176.00	228 824.00
	Maintenance expenses	2 620 000	1 500 000.00	1 120 000.00
	Property rental and related charges	1 628 000	1 528 000.00	100 000
	Other services and expenses	40 000 126	24 678 358.30	15 321 767.70
	Membership fees and subscriptions	702 000	630 100.00	71 900.00
	Transfers to various public and departmental enterprises	3 509 470 000	3 670 344 011.69	(160 874 011.69)
<b>Total</b>		<b>3 574 127 715</b>	<b>3 713 517 065.79</b>	<b>(139 389 350.79)</b>

## 2.7 Capital projects

The following were development projects of the Ministry as reflected in the General Ledger and the Development Budget:

Nature of project	Approved total budget	Total expenditure as at 2013/03/31	Approved appropriation 2013/2014	Actual expenditure 2013/2014	Total expenditure as at 2014/03/31	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of Circuit Office at Epembe	4 700 000	4 401 699.84	250 000	239 236.11	4 640 935.11	31/03/2016
Construction of Circuit Office at Anamulenge	6 700 000	611 728.53	704 000	701 943.30	1 313 671.83	31/03/2015
Construction of Circuit Office at Etayi	6 500 000	1 227 092.15	4 200 000	4 187 683.73	54 270.92	31/03/2014
Construction of new Classrooms and Hall at Dagbreek Special School	14 900 000	2 030 760.43	4 080 000	3 793 010.50	5 823 770.93	31/03/2016
Construction of examination marking hall: Windhoek	260 250 000	2 249 898.73	7 610 000	7 607 452.81	9 857 351.54	31/03/2016
Renovation of Head Office complex, upgrading of main entrance and parking bays	97 500 000	997 155.44	18 600 000	18 531 075.35	14 468 924.65	31/03/2016
Construction of Ohangwena Directorate Office	53 007 000	-	1 000 000	918 952.88	918 952.88	31/03/2017
Construction of school at Evululuko (Ongwediva Combined School)	43 882 000	6 775 882.17	12 264 000	12 256 060.06	19 031 942.23	31/03/2016
Construction of primary school at Hardap scheme	130 000 000	875 505.48	8 000 000	5 066 187.08	5 941 692.56	31/03/2016
Construction of primary school at Outapi	50 500 000	247 781.50	5 300 000	4 300 832.89	454 861.39	31/03/2016
Upgrading of Bravels Primary School	50 500 000	2 253 601.78	2 200 000	71 381.47	2 324 983.25	31/03/2016
Construction of Otjomuise Primary School	26 498 000	6 359 220.23	15 100 000	15 044 883.63	21 404 103.86	31/03/2016
Construction of primary school in Okahao	25 110 000	7 712 666.77	15 900 000	15 897 659.91	16 668 926.68	31/03/2016
Construction of a new primary school at Cimbebasia (Windhoek)	35 780 000	28 908 123.27	9 290 000	9 289 868.23	38 197 991.50	31/03/2016
Feasibility studies, investments and research	99 500 000	7 589 888.81	2 350 000	2 348 505.32	9 938 394.13	31/03/2016
Construction of National Genetically Modified Organism Testing, Training and Laboratory	138 811 000	6 995 034.72	3 796 000	3 796 000.00	10 791 034.72	31/03/2016
Construction of Omusati Education Directorate Offices	-	-	200 000	188 994.30	188 994.30	31/03/2016

<b>Nature of project</b>	<b>Approved total budget</b>	<b>Total expenditure as at 2013/03/31</b>	<b>Approved adjusted appropriation 2013/2014</b>	<b>Actual expenditure 2013/2014</b>	<b>Total expenditure as at 2014/03/31</b>	<b>Expected year of completion</b>
	N\$	N\$	N\$	N\$	N\$	
Construction of new boarding school at Omakange	156 876 000	1 249 011.24	6 800 000	6 794 704.60	8 043 715.84	31/03/2016
Basic Education facilities upgrading	568 829 000	1 089 506 851.18	231 843 003	231 675 003.00	1 321 181 854.18	31/03/2020
Construction of secondary school at Onawa	129 350 000	37 172 231.86	13 600 000	13 543 376.66	23 628 855.20	31/03/2016
Construction of secondary school at Eheke	15 250 000	32 897 249.06	2 500 000	2 499 430.40	35 396 679.46	31/03/2016
Construction of secondary school at Omuntele	225 000 000	76 989 960.71	10 013 000	10 012 194.14	87 002 154.85	31/03/2016
Construction of senior secondary school in Grootfontein (Donatus)	60 000 000	18 588 247.66	15 700 000	15 654 839.58	34 243 087.24	31/03/2016
Extension of National Examinations and Assessment Directorate at Head Office	42 600 000	11 951 038.06	11 877 000	11 876 458.96	23 827 497.02	31/03/2016
Upgrading and extension of Oshikunde Secondary School	125 000 000	15 257 395.47	30 000 000	29 988 353.08	45 245 748.55	31/03/2016
Renovation and upgrading of Oshela Senior Secondary School	10 000 000	7 224 698.78	2 300 000	2 270 051.56	9 494 750.34	31/03/2016
Renovation and upgrading of Nehale Senior Secondary School	10 000 000	9 372 477.97	100 000	94 878.77	9 467 356.74	31/03/2016
Construction of Circuit Office in Katima Mulilo	10 700 000	3 396 001.81	200 000	168 468.81	3 564 470.62	31/03/2016
Construction of a new Secondary School: Walvis Bay	30 000 000	9 765 086.00	12 545 000	12 544 619.67	22 309 705.67	31/03/2016
Construction of teachers houses	303 195 000	10 000 000.00	22 845 000	22 761 689.40	32 761 689.40	31/03/2019
Outapi community library construction	72 439 000	11 405 809.50	2 176 000	1 185 350.93	12 591 160.43	31/03/2017
Ongwediva College of Education Upgrading /Renovation	80 000 000	32 933 198.69	11 400 000	11 400 000.00	44 333 198.69	31/03/2014
Renovations of Mureti Secondary School (Opuwo)	23 493 000	-	324 000	323 967.47	323 967.47	31/03/2015

<b>Nature of project</b>	<b>Approved total budget</b>	<b>Total expenditure as at 2013/03/31</b>	<b>Approved adjusted appropriation 2013/2014</b>	<b>Actual expenditure 2013/2014</b>	<b>Total expenditure as at 2014/03/31</b>	<b>Expected year of completion</b>
	N\$	N\$	N\$	N\$	N\$	
Construction of Namibia Qualification Authority Office (NQA House)	28 657 000	29 499 168.00	3 500 000	3 500 000.00	32 999 168.00	31/03/2015
Construction of New Office of the NCHE and ACTET Secretariat	140 724 000	25 000 000.00	15 729 000	15 729 000.00	40 729 000.00	31/03/2016
Rehabilitation of Loudima Technical and Professional School	83 250 000	40 014 787.94	30 000 000	30 000 000.00	70 014 787.84	31/03/2017
Eenhana Vocational Training Centre Construction	169 738 000	41 121 915.88	3 508 000	3 508 000.00	44 629 915.88	31/03/2017
Rundu Vocational Training Centre (Construction of Recreation Hall & Laboratory)	98 000 000	28 300 000.00	4 858 000	4 858 000.00	33 158 000.00	31/03/2016
Keetmanshoop Vocational Training Centre Construction	117 000 000	12 500 000.00	3 507 000	3 507 000.00	16 007 000.00	31/03/2016
Construction of a Community Learning Development Centre at Ngoma	23 000 000	-	4 567 000	4 566 368.33	4 566 368.33	31/03/2016
Construction of a New Secondary School at Epembe Vision School	136 000 000	-	916 000	915 219.75	915 219.75	31/03/2016
Construction of Hostel and Kitchen Facilities at Shituwa Secondary School	60 000 000	-	2 540 000	2 533 593.69	2 533 593.69	31/03/2016
Otjomuise Secondary School	27 747 000	-	8 000	7 713.33	7 713.33	31/03/2016
Construction of Gobabis Vocational Training Centre	38 000 000	-	3 506 000	3 506 000.00	3 506 000.00	31/03/2016
Construction of a new Primary School in Swakopmund	62 000 000	-	180 000	179 446.67	179 446.67	31/03/2016
Pre-Primary Basic Education Facilities Upgrading	907 078 000	-	29 616 000	29 616 000.00	29 616 000.00	31/03/2017
Building and Maintenance	122 022 000	-	15 529 700	15 500 242.01	15 500 242.01	31/03/2020
Construction of Havana Secondary School	33 000 000	-	200 000	137 308.25	137 308.25	31/03/2016
Construction of New Hostel Facility at Tsumis Farm Primary School	80 000 000	-	1 800 000	1 703 724.03	1 703 724.03	31/03/2016
Establishment of hostels at School nation	-	-	10 000 000	9 987 797.91	9 987 797.91	
<b>Total</b>	<b>5 236 626 000</b>	<b>1 633 631 170</b>	<b>615 031 703</b>	<b>606 788 528.57</b>	<b>2 177 125 000</b>	

## **2.8 HIV/AIDS activities**

The Ministry spent N\$ 1 996 522.13 on HIV and AIDS related activities during the financial year under review.

**WINDHOEK, 2014-10-21**

**ALFRED ILUKENA  
ACCOUNTING OFFICER**