



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF EDUCATION, ARTS
AND CULTURE**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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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, Arts and Culture for the financial year ended 31 March 2015 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, May 2016

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF EDUCATION, ARTS AND CULTURE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This report on the accounts of the Ministry of Education, Arts and Culture for the financial year ended 31 March 2015 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, Arts and Culture for the financial year ended 31 March 2015. These financial statements comprise the following statements submitted for the year then ended:

- Appropriation Account;
- Standard Subdivisions;
- Departmental Revenue;
- Notes to the financial statements; and
- General information.

The appropriation account was submitted later than required by the Accounting Officer 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 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, 1991 (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.

No comments were provided by the Accounting Officer on the draft report.

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

The total budget of the Ministry was overspent with an amount of N\$ 388 938 886.23 (2.98%) which is unauthorized in terms of Section 6(a)(i) of the Act.

Ten (10) main divisions were exceeded by a total amount of N\$ 1 103 507 816.58 which is unauthorised in terms of Section 6(a) (ii) of the State Finance Act.

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of excess expenditure through virements during the year, thirty-eight (38) subdivisions were exceeded by a total amount of N\$ 1 179 519 214.04 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\$
04-Primary Education	156 336 559	(155 036 559)	(1 300 000)
05-Secondary Education	102 853 467	100 385 669	2 467 798
06-Library and Information Services	(1 793 608)	(1 000 000)	(793 608)
14-Pre-primary Education	(1 831 000)	(1 458 110)	(372 890)

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 Tender Board exemption

The Accounting Officer reported actual expenditure of items exempted from normal Tender procedures amounting to N\$ 3 902 682 995.02. However, the Accounting Officer did not provide the register or source documents for the actual expenditure on the approved exemptions to be verified by the auditors.

The exempted amounts for two subdivisions were exceeded with an amount of N\$ 1 038 323.48 as reflected below:

Tender Board Reference	Description	Approved amount	Actual expenditure	Difference
		N\$	N\$	N\$
E1/9 – 1/2014	Travel expenses	4 694 403	4 707 274.48	(12 871.48)
	Materials and supplies	11 411 184	7 633 266.60	3 777 917.40
	Transport	2 641 818	3 667 270.00	(1 025 452.00)
	Maintenance expenses	1 378 688	531 812.35	846 875.65
	Property rental and related charges	804 000	408 278.66	395 721.34
	Other services and expenses	45 122 253	43 600 444.12	1 521 808.88
	Membership fees and subscriptions	2 237 000	420 003.55	1 816 996.45
	Transfers to various public and departmental enterprises	4 370 898 000	3 841 714 645.26	529 183 354.74
Total		4 439 187 346	3 902 682 995.02	536 504 350.98

It is recommended that the Accounting Officer should ensure that registers and source documents are provided for audit purposes. It is also recommended that the Accounting Officer put measures in place to avoid the approved exemptions being exceeded or to approach Tender Board in time when additional exemptions are needed.

1.4.4 Variations exceeding 2%

The Accounting Officer did not explain the variance of 2.42% of main division 10 as well as the variance of 20.57% for main division 20 as required by Circular D12/2010 of the Auditor-General.

It is recommended that the Accounting Officer explains all variances exceeding 2% as required by circular D12/2010 of the Auditor-General.

1.4.5 Revenue variations exceeding N\$100 000

Hostel fees had a variance of N\$ 347 735.25 which was not explained by the Accounting Officer as required by Circular D12/2010 of the Auditor-General.

It is recommended that the Accounting Officer explains the variances as required by Circular D12/2010 of the Auditor-General.

1.4.6 Differences in revenue estimations between the General ledger and budget book

Differences were noted in the revenue estimates between the General ledger and budget book as follows:

Revenue head	Amount in General ledger	Amount in budget book	Difference
	N\$	N\$	N\$
Private telephone calls	70 000	450 000	380 000
Unclaimed cheques	100 000	350 000	250 000
Miscellaneous revenue	450 000	-	450 000
Letting of houses	-	70 000	70 000
Library registration fees	-	100 000	100 000
Letting of facilities	350 000	-	350 000

It is recommended that the Accounting Officer should ensure that the budget is correctly reflected in the financial statements.

1.4.7 Revenue written off

The Accounting Officer reported that the following revenue was written off from different regions, but Treasury authorization was still pending:

Region	Revenue head	Amount
		N\$
//Kharas	Hostel fees	114 840
Khomas	Hostel fees	15 600
Otjozondjupa	Hostel fees	295 605
Erongo	Hostel fees	6 877
Ohangwena	Hostel fees	28 961
Oshikoto	Hostel fees	34 462
Omusati	Hostel fees	12 909
Oshana	Hostel fees	2 490
Total		511 744

The Accounting Officer should explain why Treasury authorisation was not obtained on time before revenue written off.

1.4.8 Suspense accounts

The main ledger shows balances on seventeen (17) of the Ministry's suspense accounts as at 31 March 2015 of which eleven (11) had credit balances and six (6) had debit balances. The following are the amounts reflected in the General Ledger exceeding N\$ 100 000:

Description	Debit/(Credit)
	N\$
Receipt suspense	(27 831 678.71)
RD cheques	154 072.09
Collateral Losses Rejection Account	179 125.60
S&T advance suspense account	884 879.50
Rejection account	5 970 049.46
Bills Payable	(53 444 837.44)
Pension Fund (GIPF)	202 433.72
Taxcode	(204 688.56)

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

1.5 ACKNOWLEDGEMENT

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

1.6 BASIS FOR AUDIT OPINION

My opinion has been qualified due to the following:

- Unauthorised expenditure: Paragraph 1.4.1
- Suspense accounts: Paragraph 1.4.8

1.7 QUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of Ministry of Education, Arts and Culture for the financial year ended 31 March 2015 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 Audit Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Ministry of Education, Arts and Culture as at 31 March 2015 and its financial performance and its reports and payments for the year then ended in accordance with Section 12 & 13 of the State Finance Act, 1991.

WINDHOEK, May 2016

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

ANNEXURE A

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2014/2015					2013/2014	
Service	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent -age	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	5 201 000					
		5 201 000	4 495 457.95	705 542.05	13.57	3 239 992.90
02. Administration:						
Original budget	109 530 000					
Plus: Virement	1 500 000	111 030 000	122 149 340.25	(11 119 340.25)	(10.01)	204 827 161.65
03. Programme Quality Assurance:						
Original budget	72 207 000					
Less: Virement	(11 000 000)	61 207 000	131 225 792.86	(70 018 792.86)	(114.40)	283 980 377.25
04. Primary Education:						
Original budget	5 826 836 000					
Less: Virement	(155 036 559)	5 671 799 441	6 580 803 458.56	(909 004 017.56)	(16.03)	5 966 316 960.92
05. Secondary Education:						
Original budget	3 427 393 000					
Plus: Virement	100 385 669	3 527 778 669	3 056 219 751.38	471 558 917.62	13.37	2 141 864 828.21
06. Namibia Library and Information Services:						
Original budget	156 010 000					
Less: Virement	(1 000 000)	155 010 000	113 312 289.97	41 697 710.03	26.90	90 372 593.52
07. Adult Education:						
Original budget	276 796 000					
Plus: Virement	28 000 000	304 796 000	292 138 984.01	12 657 015.99	4.15	213 499 365.65

Appropriation account

2014/2015						2013/2014
Service	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent-age	
	N\$	N\$	N\$	N\$	%	N\$
08. Higher Education:						
Original budget	2 211 714 000					
Plus: Virement	7 609 000	2 219 323 000	2 215 082 016.03	4 240 983.97	0.19	1 085 481 082.02
09. Planning and Research Development:						
Original budget	-	-	812 426.57	(812 426.57)	-	12 968 245.90
10. Vocational and Technical Training:						
Original budget	509 471 000	509 471 000	497 116 952.77	12 354 046.22	2.42	291 818 135.21
11. Hostels:						
Original budget	-	-	107 602 511.84	(107 602 511.84)	-	182 743 926.68
12. Science, technology						
And innovation:						
Original budget	6 143 000	61 430 000	62 804 638.13	(1 374 638.13)	(2.24)	41 452 111.38
13. Hamu:						
Original budget	10 005 000	10 005 000	9 344 756.74	660 243.26	6.60	6 031 313.38
14. Pre-Primary Education						
Original budget	339 249 000					
Less: Virement	(1 458 110)	337 790 890	172 351 456.07	165 439 433.93	48.98	80 594 772.22
15. NIED:						
Original budget	-	-	1 899 491.18	(1 899 491.18)	-	25 197 004.89
16. Examination:						
Original budget	-	-	1 318 467.92	(1 318 467.92)	-	65 642 052.90
17. Building Infrastructure:						
Original budget	52 000 000					
Plus: Virement	31 000 000	83 000 000	79 868 165.09	3 131 834.91	3.77	17 093 770.65

ANNEXURE A (continued)

Appropriation account

2014/2015						2013/2014
Service	Authorised expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent - age		
N\$	N\$	N\$	N\$	%	N\$	
18. Namibian Student Financial Assistant:						
Original budget	-	180 291.28	(180 291.28)	-	618 269 742.19	
19. Information & Communication Technologies:						
Original budget	-	177 838.99	(177 838.99)	-	18 021 073.75	
20. Namibia National Commission:						
Original budget	10 324 000	8 200 797.64	2 123 202.36	20.57	6 364 097.36	
21. Namibia Qualification Authority (NQA):						
	-	-	-	-	22 664 000.00	
Total	13 068 166 000	13 457 104 886.23	(388 938 886.23)	(2.98)	11 378 442 608.53	

1.2 Standard subdivisions

Subdivision	2014/2015			2013/2014
	Authorised expenditure	Actual expenditure	Under-Expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	6 900 501 000	7 180 852 032.34	(280 351 032.34)	6 360 624 947.20
002. Employer's contribution to GIPF	727 177 000	836 031 705.82	(108 854 705.82)	736 854 326.04
003. Other conditions of service	82 763 000	108 151 045.34	(25 388 045.34)	76 471 540.94
Total	7 710 441 000	8 125 034 783.50	(414 593 783.50)	7 173 950 814.18
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	9 657 600	7 186 260.59	2 471 339.41	6 123 362.93
022. Materials and supplies	16 155 308	12 789 552.64	3 365 755.36	10 899 696.67
023. Transport	24 464 990	21 768 478.10	2 696 511.90	8 781 034.55
024. Utilities	11 498 000	10 724 469.19	773 530.81	7 459 228.03
025. Maintenance expenses	1 644 400	1 030 482.92	613 917.08	1 097 011.78
026. Property rental and related charges	804 000	797 477.04	6 522.96	1 094 623.50
027. Other services and expenses	248 645 885	264 989 333.24	(16 343 448.24)	230 378 864.62
Total	312 870 183	312 099 792.54	769 990.46	265 833 822.10
Current expenditure: Membership fees and subscriptions				
041. International	2 274 000	1 716 339.05	557 660.95	1 518 125.39
042. Domestic	185 000	184 000.00	1 000.00	167 500.00
Total	2 459 000	1 900 339.05	558 660.95	1 685 625.39
Current expenditure: Subsidies, grants and other transfers				
043. Government organisations	2 987 855 959	2 987 776 882.02	79 076.98	2 439 182 369.15
044. Individuals and non-profit organisations	1 296 093 858	1 295 082 688.43	1 011 169.57	878 517 052.54
045. Public and departmental enterprises and private industries	22 037 000	21 650 692.20	386 307.80	11 549 587.00
Total	4 305 986 817	4 304 510 262.65	1 476 554.35	3 329 249 008.69
Total: Current expenditure	12 331 757 000	12 743 545 177.70	(418 974 439.08)	10 770 719 270.34
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	3 568 000	2 815 417.98	446 374.28	934 809.72
103. Operational equipment, machinery and plant	9 000	-	9 000.00	-
Total: Capital expenditure	3 577 000	2 815 417.98	761 582.02	934 809.72
Total: Operational expenditure	12 335 334 000	12 746 360 595.68	(411 026 995.72)	8 725 813 554.24

Subdivision	2014/2015			2013/2014
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Development:				
105. Feasibility studies, design and supervision	5 500 000	3 540 932.35	1 959 067.65	2 676 126.09
107. Construction, renovation and improvements	446 030 000	424 192 627.03	21 837 372.97	263 017 399.48
131. Government organizations	201 302 000	275 824 469.95	5 477 530.05	341 095 003.00
Total	732 832 000	703 558 029.33	29 273 970.67	606 788 528.57
Total: Development expenditure	732 832 000	703 558 029.33	29 273 970.67	606 788 528.57
GRAND TOTAL	13 068 166 000	13 457 104 886.23	(388 938 886.23)	11 378 442 608.63

1.3 Departmental revenue

Revenue for the financial year is as follows:

Revenue head	Estimate	Actual revenue 2014/2015	More/(less) than estimated	Actual revenue 2013/2014
	N\$	N\$	N\$	N\$
Private telephone calls	70 000	11 599.98	(58 400.02)	9 500.00
Unclaimed cheques	100 000	-	(100 000.00)	-
Miscellaneous	450 000	1 835 870.62	1 385 870.62	17 363 740.21
Lost equipment and stores	10 000	267.47	(9 732.53)	3 507.74
Class and examination fees	37 500 000	2 964 647.90	(7 885 342.10)	26 680 395.71
Services rendered by archives and museums	15 000	-	(15 000.00)	-
Letting of housing	-	31 167.38	31 167.38	196 001.65
Library registration fees	-	2 404.00	2 404.00	26 907.00
Hostel fees	14 500 000	14 152 264.75	(347 735.25)	12 328 935.75
Trade test monies for apprentices	-	6 480.00	6 480.00	300.00
Letting of facilities	350 000	271 172.56	(78 827.44)	-
Total	52 995 000	45 925 884.66	(7 069 115.34)	56 609 288.06

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\$ 705 542.05 – 13.57%)

The underexpenditure on this main division was as a result of vacancies that exist on the establishment in the Office of the Minister. Both these positions were budgeted for the 2014/2015 financial year but vacant for the entire financial year and the Acting Secretary's salary was paid by the Directorate Programme and Quality Assurance. At the end of the financial year 2014/2015 was the end of term of office for both the Minister and Deputy Minister. Procurement of new furniture for their office was therefore not a priority resulting in the underexpenditure.

Main division 05: Secondary Education (N\$ 471 558 917.62 – 13.37%)

The underexpenditure under this main division is not a true reflection. All expenditure reflected under main division 03 (operational budget portion), 11, 15 and 16 should be part of main division 05. Some regional staff salary pay points were linked to wrong main divisions and personnel expenditures of staff belonging to main division 05 Secondary Education was erroneously paid from the above main divisions.

This has been rectified and will not reflect as such in the upcoming financial years. The budget execution rate, once main division 03,11,15 and 16 are incorporated will be at 91% reflecting an underpenditure of 9% the highest portion of it being under remuneration.

Reasons for underexpenditure under remuneration budget for Secondary Education:

The implementation of the Job Evaluation and Grading System (JEG) in the 2013/2014 financial year had huge financial implications on the Ministry's budget, both during the year of implementation and subsequent financial years. Allocations of funds to the Ministry to cover the expenditure for the re-grading were not sufficient, resulting in the overexpenditure.

Main division 06: Namibia Library and Information Services (N\$41 697 710.03-26.90%)

The underexpenditure of 26.90% under this main division was under Personnel Expenditure. The Regional structures for Librarians and Archives were approved by the Office of the Prime-Minister and budgeted. The positions could however not be filled due to unavailability of qualified individuals in the market, resulting in the underexpenditure.

Main division 07: Adult Education (N\$ 12 657 015.99– 4.15%)

The underexpenditure of this main division, under personnel expenditure (Remuneration, GIPF and Other Condition of Services) which was due to high staff turnover rates and vacancies that could not be filled in time.

Main Division 14:Pre-Primary and ECD (N\$ 165 439 433.93-48.98%)

The total underexpenditure under this main division was mainly under personnel expenditure. The underexpenditure was due to Pre-primary teachers paid under the budget of Primary Education due to allocation of wrong pay-points. Regions are rectifying this but it's difficult sometimes since some teachers teach both pre-primary and primary classes and the apportionment of their salaries based on the number of hours spent in each class is cumbersome.

Main division 13: HAMU (N\$ 660 243.26-6.60%)

The underexpenditure on this division was mainly under Travel and Susistence Allowance as well as Utilities and was due to the following:

The funding towards the HIV/AIDS program within the Ministry is both from the Government and Global Fund. Global Fund has funded some of the activities in terms of travelling allowances and Workshops, resulting in the underexpenditure of N\$ 215 122.61 under the travelling budget of Government.

A total amount of N\$ 227 000 budgeted for utilities could not be utilized as the Head Office utility bill is paid through the Directorate General Services and individual Directorates need to budget for such expenditures.

Main Division 17: Building and Infrastructure: (N\$ 3 131 834.91-3.77%)

The budget under this main division is mainly of capital (development budget) nature. The underexpenditure of 3.77% related to construction, renovation and improvements on buildings and was due to the fact that two projects with substantial budget allocations fell behind schedule as a result of non-appointment of consultants by the Department of Works. This resulted that funds budgeted for this projects could not be spent, while a few smaller projects did not perform to anticipated levels.

(ii) Over-expenditure

Main division 02: Administration (N\$ 11 119 340.25 – 10.01%)

The overexpenditure was recorded under personnel expenditure (Remuneration and Employer Contribution to GIPF) and was due to the implementation of the Job Evaluation and Grading System appeals. Payments for appeals were processed in March 2015 while the budget allocation was only made in the 2015/2016 financial year. The demand by staff members for their entitlement left management with no option but to settle the payments since the expenditure is statutory in nature.

Main division 03: Program Quality Assurance (N\$ 70 018 792.86-114.40%)

No budgetary provision was made under this main division for recurrent expenditures since the operations of the main division is of capital (development budget) nature. It was realised however that some regional staff salary pay points are linked to this main division and personnel expenditure amounting to N\$65 906 471 for staff belonging to main division 05 Secondary Education was erroneously paid from main division 03. This has been rectified and will not reflect as such in the upcoming financial years.

Main Division 04: Primary Education (N\$ 909 004 017.56-16.03%)

The overexpenditure was due to the following:

The implementation of the Job Evaluation and Grading System (JEG) in the 2013/2014 financial year had a huge financial implication on the Ministry's budget both during the year of implementation and subsequent financial years. Allocation of funds to the Ministry to cover the expenditure for the regrading was not sufficient resulting in the over-expenditure.

The second contributing factor to the over-expenditure was the increase in the number of learners. The implementation of the Universal Primary Education (Fee Free primary education) has increased access to primary schools resulting in the growth of 7.5% in learners enrolment in the 2014 academic year against the growth of 3.5% in 2013. The number of learners in 2013 was 449 243 and has grown to 465 052 in 2014.

The growth in learners required the appointment of more teachers to meet the requirements as per the staffing norms of teachers. The staffing norms requirements are as follows:

Pre-primary: 1 teacher for every 25 pre primary learners (5/6 years of age)

Special Class: 1 teacher for every 15 primary learners

Lower Primary: 1 teacher for every 35 learners

Upper Primary: 1 teacher for every 35 learners

The implementation of the language policy also had an impact on the budget. The language policy requires that learners from Grade 1-3 are taught in their mother tongue which required the appointment of teachers for all languages offered at the school although the learner numbers does not justify that.

The implementation of the job evaluation and grading system in 2013/2014 financial year had a similar impact on the budget of GIPF. The budget allocation in the subsequent financial years was insufficient to meet the expenditures resulting from the implementation of JEG.

Payments of Separation and Non Separation Gratuity are an entitlement to all temporary teachers. The demand for temporary teachers has increased over the years due to the influx of learners to urban areas, especially Grade 1 and Grade 8 learners. Temporary teachers are appointed additional to the staff establishment since most of them are unqualified or under qualified and cannot be appointed on a permanent basis.

Separation gratuity are payable at the end of each contract and has huge financial implications, since the number of temporary teachers that will be needed during a specific financial year cannot be projected at the time of budgeting as it is more needs based.

The Public Service Staff Rules makes provision for staff members to apply to the Office of the Prime Minister to be paid all accumulated leave days which is very costly to Government and also resulted in the over-expenditure due to the fact that this could not be projected during the budgeting process.

Main division 09: Planning, Research and Development (N\$ 812 426.57)

No budgetary provision was made under this main division for recurrent expenditures since it does not form part of the Ministry's chart of accounts anymore, it is not a spending unit. It was realised that some regional staff salary pay points were linked to this main division and personnel expenditures amounting to N\$ 812 426.57 for staff belonging to main division 02 Administration was erroneously paid from main division 09. This has been rectified and will not reflect as such in the upcoming financial years.

Main division 11: Hostels (N\$ 107 602 511.84)

No budgetary provision was made under this main division for recurrent expenditures since it does not form part of the Ministry's chart of accounts anymore, it is not a spending unit. It was realised that some regional staff salary pay points were linked to this main division and personnel expenditures amounting to N\$ 107 602 511.84 for staff belonging to main division 05 Secondary Education was erroneously paid from main division 11. This has been rectified and will not reflect as such in the upcoming financial years.

Main division 15: NIED (N\$ 1 899 491.18)

No budgetary provision was made under this main division for recurrent expenditures since it does not form part of the Ministry's chart of accounts anymore, it is not a spending unit. It was realised that some regional staff salary pay points were linked to this main division and personnel expenditures amounting to N\$ 1 899 491.18 for staff belonging to main division 05 Secondary Education was erroneously paid from main division 15. This has been rectified and will not reflect as such in the upcoming financial years.

Main division 16: examination (N\$ 1 318 467.92)

No budgetary provision was made under this main division for recurrent expenditures since it does not form part of the Ministry's chart of accounts anymore, it is not a spending unit. It was realised that some regional staff salary pay points were linked to this main division and personnel expenditures amounting to N\$1 318 467.92 for staff belonging to main division 05 Secondary Education was erroneously paid from main division 16. This has been rectified and will not reflect as such in the upcoming financial years.

Main division 18: Namibia Student Financial Assistant Fund (N\$ 180 291.28)

No budgetary provision was made under this main division for recurrent expenditures since it does not form part of the Ministry's chart of accounts anymore, it is not a spending unit. It was realised that some regional staff salary pay points were linked to this main division and personnel expenditures amounting to N\$180 291.28 for staff belonging to main division 02 Secondary Education was erroneously paid from main division 18. This has been rectified and will not reflect as such in the upcoming financial years.

Main division 19: Information, Communication Technologies (N\$ 177 838.99)

No budgetary provision was made under this main division for recurrent expenditures since it does not form part of the Ministry's chart of accounts anymore, it is not a spending unit. It was realised that some regional staff salary pay points were linked to this main division and personnel expenditures amounting to N\$177 838.99 for staff belonging to main division 02 Administration was erroneously paid from main division 19. This has been rectified and will not reflect as such in the upcoming financial years.

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

(i) Over- estimated

Class and examination fees

The revenue estimate for class and examination fees was based on five hundred and thirteen thousand, seven hundred and eighty seven (513 787) full time subject entries for the October/November 2014 National Examinations. The report in respect of examination fees shows an estimated total amount of N\$ 37 500 000 that was anticipated for collection during the reporting period, which was an over-estimation. The actual amount collected was N\$ 29 614 658 and was per above statistics.

(ii) Under- estimated

Miscellaneous

The variance under the Miscellaneous revenue head was due to Payroll reversal amounting to N\$ 1 343 518.34. The manual journal compiled to transfer the funds back to the budget line was not posted on time.

2. GENERAL INFORMATION

2.1 Miscellaneous revenue

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

Detail/Nature	Amount
	N\$
Photocopy and Fax Charges	17 247.80
Surplus	8 635.64
Fines	10.10
Syllabus	450.00
Late Fees	591.10
Payroll Reversals	1 343 518.34
Funds wrongly allocated to Miscellaneous (2013/2014)	476 496.14
Total	1 846 949.12

2.2 Revenue outstanding

The following revenue in regard of hostel fees was outstanding as at 31 March 2015 due to financial inability of parents/guardians to pay:

Region	Amount
	N\$
Khomas	600 298.00
Erongo	3 222.00
//Kharas	164 754.00
Hardap	169 888.50
Kavango	43 155.00
Omaheke	629 196.00
Ohangwena	112 795.00
Oshikoto	114 793.00
Omusati	83 349.15
Oshana	62 529.00
Total	1 983 979.65

2.3 Compensation payments (Valid claims against the State)

During the financial year under review, the Ministry paid a total amount of N\$ 906 805.83 as 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\$ 486 363.50 for forty-three (43) 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
Global Diploma (Germany) and PAY Namibia	Computer Equipment	N\$ 10 000.00
TINY ISLAND Press in the United Kingdom	One thousand(1000) Children's new books	160 556.58
Africa Group of Sweden	Suzuki Vitara V6 Station Wagon	88 000.00
Empowering Learners in the USA	Computer and other equipment	53 000.00
Total		311 556.58

2.6 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 2014/03/31	Approved appropriation 2014/2015	Actual expenditure 2014/2015	Total expenditure as at 2015/03/31	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Extension of National Examination and Assessment Directorate at Head Office Windhoek	42 600 000	23 827 497.02	10 000 000	9 833 819.72	33 661 316.74	31 March 2016
Construction of A Circuit Office at Anamulenge	6 700 000	1 313 671.83	1 000 000	933 546.50	2 247 218.33	31 March 2015
Construction of Circuit Office at Etayi	6 500 000	5 414 775.88	1 000 000	755 460.50	6 170 236.38	31 March 2014
Construction of New Claasroom and Hall at Dagbreek Special School	14 900 000	5 823 770.93	7 300 000	6 866 636.26	12 690 407.19	31 March 2016
Construction of Caprivi Regional Education Office	12 921 000	-	1 000 000	738 285.22	738 285.22	31 March 2016
Construction of Caprivi Regional Office	-	-	1 000 000	613 963.20	613 963.20	31 March 2016
Construction of Kunene Education Directorate Office	82 000 000	-	500 000	477 923.93	477 923.93	31 March 2017
Construction of Examination Marking Hall: Windhoek	260 250 000	9 857 351.54	7 500 000	7 248 675.07	17 106 026.61	31 March 2016
Renovation Head Office Complex, Upgrading of Main Entrance and Parking	97 500 000	14 468 924.65	17 515 000	17 309 031.65	31 777 956.30	31 March 2016
Renovations of NIED Offices	9 100 000	-	500 000	491 473.34	491 473.34	31 March 2016
Construction of Ohangwena Education Directorate Office	53 007 000	918 952.88	5 000 000	4 952 943.98	5 871 896.86	31 March 2017
Construction of Omusati Education Directorate Office	138 811 000	188 994.30	5 000 000	3 658 999.73	3 847 994.03	31 March 2016
Construction of a Regional Teachers Resources Centre Outapi	60 000 000	-	2 500 000	2 396 460.07	2 396 460.07	31 March 2016
Construction of Oshikoto Education Directorate Office	76 000 000	-	500 000	13 107.93	13 107.93	31 March 2016
Structural upgrading & support to community hostel in Erongo, Karas, Kavango and Omaheke	126 000 000	-	10 000 000	9 996 171.44	9 996 171.44	31 March 2016
Construction of a Circuit Office and 3 bedroom house at Enyama in Ohangwena	6 750 000	-	250 000	-	-	31 March 2016
Construction of Namibia Qualification Authority Office (NQA House)	28 657 000	32 999 168.00	642 000	164 469.95	33 163 637.95	31 March 2015
Construction Of School At Evululuko (Ongwediva Combined School	43 882 000	19 031 942.23	5 000 000	4 982 421.17	24 014 363.40	31 March 2016

Capital projects (continued)

Nature of project	Approved total budget	Total expenditure as at 2014/03/31	Approved appropriation 2014/2015	Actual expenditure 2014/2015	Total expenditure as at 2015/03/31	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction Of Primary School At Hardap Scheme	50 500 000	5 941 692.56	3 000 000	3 000 000.00	8 941 692.56	31 March 2016
Construction Of Primary School At Outapi	25 000 000	4 548 614.39	6 500 000	6 421 764.12	10 970 378.51	31 March 2016
Upgrading Of Bravel Ps	50 500 000	2 324 983.25	1 000 000	876 440.29	3 201 423.54	31 March 2016
Construction Of Otjomuise Ps	71 438 000	21 404 103.86	18 600 000	18 360 777.17	39 764 881.03	31 March 2016
Construction Of Primary School In Okahao	25 110 000	23 610 326.68	1 110 000	1 090 504.80	24 700 831.48	31 March 2016
Construction of a New Primary school at Cimbembasia (Windhoek)	35 780 000	38 197 991.50	2 000 000	1 296 258.24	39 494 249.74	31 March 2016
Construction of Combine School Aussenkehr	30 000 000	-	1 000 000	445 795.60	445 795.60	31 March 2017
Construction of a new Primary School Swakopmund	62 000 000	179 446.67	500 000	347 104.96	526 551.63	31 March 2016
Construction of a new Primary School Rundu rural west	64 100 000	-	500 000	255 321.79	255 321.79	31 March 2016
Construction of Havana Primary School	67 000 000	-	500 000	148 113.91	148 113.91	31 March 2016
Construction of New Boarding School at Omakange	156 876 000	8 043 715.84	5 000 000	4 335 925.72	12 379 641.56	31 March 2016
Construction of Ongula Primary School	100 000 000	-	500 000	186 235.55	186 235.55	31 March 2016
Construction of Oshakati south primary school	121 000 000	-	500 000	487 750.83	487 750.83	31 March 2016
Construction of Guinas Primary School	220 600 000	-	500 000	273 367.55	273 367.55	31 March 2016
Construction of primary school at Tsaraxa-Aibes (Otjiwarongo)	100 000 000	-	500 000	385 170.16	385 170.16	31 March 2016
Construction of new hostel facility at Tsummis farm Primary School	80 000 000	1 703 724.03	5 000 000	4 795 425.58	6 499 149.61	31 March 2016
Construction of new PS at Ehangano	8 800 000	-	250 000	-	-	31 March 2017
Construction of a primary school for Walvis bay	15 000 000	-	250 000	112 579.86	112 579.86	31 March 2016
Feasibility studies, investigation & Research	99 500 000	9 938 394.13	3 000 000	2 570 446.00	12 508 840.13	31 March 2016
Construction of new Combined school Oranjemund	3 750 000	-	250 000	236 307.05	236 307.05	31 March 2017
Otavi Primary School	45 000 000	-	250 000	243 690.15	243 690.15	31 March 2017
Construction of Mix Primary school	56 000 000	-	250 000	116 869.45	116 869.45	31 March 2017
Construction of Otuzemba primary school	30 000 000	-	250 000	84 544.78	84 544.78	31 March 2018
Establishment and Construction of a Modern school in Katima Mulilo	45 000 000	-	250 000	176 495.06	176 495.06	31 March 2017
Basic Education facilities upgrading	568 829 000	1 321 181 854.18	101 584 000	101 584 000.00	1 422 765 854.18	31 March 2020
Construction of Secondary school at Onawa	129 350 000	50 715 608.52	19 946 000	19 064 836.23	69 780 444.75	31 March 2016
Construction of Secondary school at Eheke	15 250 000	35 396 679.46	1 000 000	418 712.67	35 815 392.13	31 March 2016

Capital projects (continued)

Nature of project	Approved total budget	Total expenditure as at 2014/03/31	Approved appropriation 2014/2015	Actual expenditure 2014/2015	Total expenditure as at 2015/03/31	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of a Secondary school at Omuntele	225 000 000	87 002 154.85	7 000 000	6 843 052.73	93 845 207.58	31 March 2016
Construction of senior secondary school in Grootfontein (Donatus)	60 000 000	34 243 087.24	7 000 000	6 694 334.16	40 937 421.40	31 March 2016
Renovation of Mureti Secondary school (Opuwo)	23 493 000	323 967.47	5 000 000	4 696 177.24	5 020 144.71	31 March 2015
Upgrading and Extension of Oshikunde SS	125 000 000	45 245 748.55	53 350 000	52 895 340.69	98 141 089.24	31 March 2016
Renovation and upgrading of Oshela SS	10 000 000	9 494 750.34	250 000	250 000.00	9 744 750.34	31 March 2016
Renovation and Upgrading of Nehale Senior Secondary School	10 000 000	9 467 356.74	2 000 000	1 953 668.70	11 421 025.44	31 March 2016
Construction of a new Secondary School Walvis bay	30 000 000	22 309 705.67	12 000 000	11 629 358.67	33 939 064.34	31 March 2016
Establishment of hostel at school nationwide	443 650 000	9 987 797.91	10 671 000	10 141 878.06	20 129 675.97	31 March 2016
New Education Circuit Office: Walvis Bay	11 000 000	-	500 000	-	-	31 March 2015
Construction of Acacia Secondary School	10 500 000	-	500 000	20 070.65	20 070.65	31 March 2016
Construction of Havana Secondary school	33 000 000	137 308.25	5 000 000	4 516 812.60	4 654 120.85	31 March 2016
Construction of Hostel & Kitchen facilities at Shituwa secondary	60 000 000	2 533 593.69	5 000 000	4 619 057.04	7 152 650.73	31 March 2016
Construction of a new secondary school at Epembe Vision School	136 000 000	915 219.75	4 500 000	4 418 342.78	5 333 562.53	31 March 2016
Construction of manhole. Ponds, pumps machine, sewage pipes, 5 hostel blocks, 3 Houses at Ashipala S.S.S	19 500 000	-	6 000 000	5 833 817.26	5 833 817.26	31 March 2016
Construction of Etayi senior secondary school	66 500 000	-	1 500 000	1 247 320.95	1 247 320.95	31 March 2016
Construction of Teachers houses	303 195 000	32 761 689.40	76 814 000	75 682 624.63	108 444 314.03	31 March 2019
Renovation Of Andimba Toivo Ya Toivo	8 453 500 000	-	250 000	215 647.45	215 647.45	31 March 2016
Renovations Nation Wide	805 010 000	-	60 281 000	60 281 000.00	60 281 000.00	31 March 2014
Community Learning Development centre construction at Uukwangula	27 500 000	-	500 000	256 821.15	256 821.15	31 March 2017
Outapi community Library construction	72 439 000	12 591 160.43	10 924 000	8 592 357.65	21 183 518.08	31 March 2017
Construction of a Learning centre at Kongola	24 500 000	-	500 000	331 614.79	331 614.79	31 March 2015
Construction of a community learning development centre at Ngoma	23 000 000	4 566 368.33	8 500 000	7 494 743.89	12 061 112.22	31 March 2016
Ongwediva College Of Education Upgrading/ Renovation	56 000 000	44 333 198.69	5 000 000	5 000 000.00	49 333 198.69	31 March 2016
Windhoek College Of Education Renovation	25 000 000	-	5 000 000	5 000 000.00	5 000 000.00	31 March 2016
Caprivi College Of Education Renovation	11 000 000	-	4 000 000	4 000 000.00	4 000 000.00	31 March 2020
Rundu College Of Education Renovations	25 000 000	-	4 000 000	4 000 000.00	4 000 000.00	31 March 2020
Construction Of New Offices for the Nche And Actet Secretariat	140 724 000	40 729 000.00	9 495 000	9 495 000.00	50 224 000.00	31 March 2016

Capital projects (continued)

Nature of project	Approved total budget	Total expenditure as at 2014/03/31	Approved appropriation 2014/2015	Actual expenditure 2014/2015	Total expenditure as at 2015/03/31	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction Of Eenhana Vocational Training Center	169 738 000	44 629 915.88	10 000 000	10 000 000.00	54 629 915.88	31 March 2017
Rundu Vocational Training Center (Construction Of Recreation Hall Laboratory)	98 000 000	33 158 000.00	12 000 000	10 000 000.00	43 158 000.00	31 March 2016
Keetmanshoop Vocational Training Centre	117 000 000	16 007 000.00	12 000 000	10 000 000.00	26 007 000.00	31 March 2016
Construction Of Gobabis VTC	38 000 000	3 506 000.00	12 000 000	11 000 000.00	14 506 000.00	31 March 2016
Rehabilitation Of Loudima Technical And Professional School	83 250 000	70 014 787.84	15 000 000	15 000 000.00	85 014 787.84	31 March 2017
Pearl Millet Project Phase II	6 863 000	-	413 000	413 000.00	413 000.00	31 March 2016
Computer Based Math And Science Learning Laboratory	10 365 000	-	1 000 000	1 000 000.00	1 000 000.00	31 March 2016
Construction of the national Genetically modified organism testing, training and laboratory	119 243 000	10 791 034.72	2 000 000	2 000 000.00	12 791 034.72	31 March 2016
Construction of Teachers houses pre-primary	715 646 000	-	2 800 000	2 781 002.02	2 781 002.02	31 March 2019
Pre-Primary basic Education facilities Upgrading	907 078 000	29 616 000.00	26 887 000	26 887 000.00	56 503 000.00	31 March 2017
Building and Maintenance	122 022 000	15 500 242.01	83 000 000	79 620 159.02	95 120 401.03	31 March 2020
TOTAL	16 959 677 000	2 216 897 272.09	732 832 000	703 558 029.31	2 920 455 301.40	

2.7 HIV/AIDS activities

The Ministry spent N\$ 10 443 162.45 on HIV and AIDS related activities during the financial year under review.

2.8 Bank Accounts

The Ministry have ten (10) Bank Accounts. Treasury Authorization was obtained and the closing balances as at 31 March 2015 are as follows:

Account Name	Bank Name	Closing balance as at 31 March 2015
		N\$
Ministry of Education Global Fund	Nedbank	692.04
EDF-Call Account	Bank Windhoek	1 577 707.64
EDF-Call Account	Bank Windhoek	332 858.89
EDF-KWF-Call Account	Bank Windhoek	Closed
EDF-World B-Call Account	Bank Windhoek	Closed
NCHE and ACTET	First National Bank	24 875 066.7824
NCHE and ACTET	First National Bank	4 157 059.48
NCHE and ACTET	First National Bank	19 395 774.13
NAMAS	Bank Windhoek	65 358.02
Osire Education Fund	Standard Bank	59 110.40

WINDHOEK, 2015-10-20

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