



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MINISTRY OF HEALTH AND SOCIAL SERVICES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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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 Health and Social Services for the financial year ended 31 March 2012 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, March 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE
MINISTRY OF HEALTH AND SOCIAL SERVICES
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2012**

1. INTRODUCTION

1.1 Report

This report on the accounts of the Ministry of Health and Social Services for the financial year ended 31 March 2012 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991), as amended.

1.2 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.

2. FINANCIAL STATEMENTS

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 to this report.

3. SCOPE OF THE AUDIT

3.1 The Accounting Officer of the Ministry in co-operation with the Permanent Secretary of the Ministry of Finance is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions therein. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The audit included:

- (a) examination on a test basis of evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements; and
- (b) evaluation of the overall adequacy of the presentation of information in the financial statements.

- 3.2** The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:
- (a) the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;
 - (b) in all material respects, the expenditure and income have been applied to the purposes intended by the legislature; and
 - (c) the financial transactions conform to the authorities that govern them.

4. AUDIT OBSERVATIONS

4.1 MAIN ISSUES/FINDINGS IDENTIFIED DURING THE AUDIT

4.1.1 Expenditure

The total budget was under spent with a total amount of N\$ 53 278 889.64 (1.56%). However, the following unauthorised expenditure occurred during the financial year and is reported as such in terms of Section 27(6)(a) of the State Finance Act, 1991 (Act 31 of 1991):

- (i) Two (2) main divisions were exceeded by a total of N\$ 58 746 674.26. The excesses are unauthorised in terms of section 6(a)(ii) of the Act.
- (ii) Although Treasury approval was obtained to utilise expected savings for the defrayal of excess expenditure by way of virements during the year, twenty one (21) operational subdivisions were exceeded with N\$ 127 508 355.50. These excesses are unauthorised in terms of section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer puts measures in place to avoid unauthorised expenditure and also to ensure that savings are utilised for the purpose intended.

4.1.2 Virements

The approved virements for the following main divisions as reflected in the general ledger did not agree for the third consecutive year with the virements processed to the appropriation account as shown in the table below:

Main division	Approved authorisation	Processed to Appropriation account	Difference
	N\$	N\$	N\$
02	(1 197 000)	(1 477 000)	(280 000)
03	(15 770 000)	(15 500 000)	(270 000)
04	36 912 628	32 492 628	(4 420 000)
06	1 000 000	-	1 000 000
07	(22 922 285)	(8 451 995)	(14 470 290)
08	(8 463 633)	(9 263 633)	900 000
09	(1 500 000)	1 000 000	(2 500 000)

It is once again recommended that regular reconciliations are carried out to ensure correctness of records.

4.1.3 Subsistence and travelling allowance

The Accounting Officer reported a total of twenty one (21) cases of outstanding subsistence advances amounting to N\$ 186 224.20 as at 31 March 2012. The S&T Advance suspense account however reflects a balance of N\$ 657 698.20 which gives a difference of N\$ 471 474.00. The reason given for the outstanding advances is that staff members were still on trips by 31 March, and claims were therefore less than advances at the end of the financial year.

4.1.4 Suspense accounts

The main ledger showed uncleared balances on thirty three (33) suspense accounts at 31 March 2012, of which fifteen (15) with credit and eighteen (18) with debit balances.

The following suspense accounts closed with balances of more than N\$ 100 000 at year end:

Description of account	Debit/(Credit)
	N\$
Medical Stores Trade Account	389 224 816.03
RD Cheques	382 034.99
S&T Advance Suspense Account	657 698.20
Rejection Account	8 238 812.97
Bills Payable	(38 721 822.99)
Electronic Fund Transfer Clearing	(760 595.18)
Tax Code	813 722.67
Salary Interface Control Account	677 221.38
Pension Funds:GIPF	(1 929 523.45)
Debt Establishment	298 064.63

Clearing of the suspense accounts is highly recommended. It is also observed with grave concern that the Medical Stores Trade account, Rejection account and Pension Fund: GIPF have such high balances.

4.1.5 Statements not submitted

The Ministry did not submit the following statements for audit and reporting purposes :

Item 19: Outstanding Commitments

Item 27: Non submission of vouchers

It is recommended that the Accounting Officer ensures that all statements are submitted as required per the Auditor-General circular D12/2010 and section 12(2) of the State Finance Act, 1991 that states that the Accounting Officer should submit all statements to the Auditor-General for audit.

4.1.6 Bank accounts

The Ministry failed to submit the necessary documents and records for the following bank accounts. As such the auditors could not audit and verify the correctness of the account balances.

Caprivi Global Fund

Kavango Regional Health Account

Investment Account held at Standard Bank

The Ministry reported the following bank accounts as closed, but could not provide any evidence as to what happened to the closing balances:

Hardap Global fund

TB round 5 Karas

It is recommended that the Accounting Officer submits all annual statements and accounts for audit and reporting purposes as stipulated in the Auditor-General Circular: D 12/2010 and section 12(2) of the State Finance Act, 1991 that states that the Accounting Officer should submit all statements to the Auditor-General for audit.

4.1.7 Revenue outstanding

It was observed that revenue outstanding amounted to N\$ 4 115 360.42. The revenue outstanding was in respect of unemployment and wrong addresses provided by individual patients.

It is recommended that the Accounting Officer implements effective control measures to ensure proper recordkeeping. Revenue must also be collected from medical aid funds and individuals on time.

4.1.8 Trade account

The Accounting Officer reported a net loss on the Central Medical Stores to the amount of N\$ 58 138 492.11, but the closing balance in the Medical Store Trade Account suspense account reflects an amount of N\$ 389 224 816.03 which gives an unexplained difference of N\$ 331 086 323.92.

Supporting documents submitted were also insufficient to verify the correctness of the statement.

The Accounting Officer should explain the difference and also submit all relevant documents to substantiate the correctness of the statements.

4.1.9 Asset Inspection audits

The findings below arose from asset inspection audits carried out in the Omaheke Region and were found at most of the hospitals, health centres and clinics in the region:

4.1.9.1 Revenue collection

Money is banked or deposited from Clinics every two months which contradicts Treasury Instruction GC 1201 that states that money should be deposited on the date of receipt or the next working day. If staff members keep money for long periods in their possession creates opportunities for theft and fraud.

It is recommended that approval may be obtained from the Receiver of Revenue for the deviation from Treasury Instruction GC 1202 which stipulates that money should be deposited on the date of receipt or the next working day. Alternatively the Accounting Officer should put measures in place to ensure that the risks of the theft and fraud are mitigated.

4.1.9.2 Stores and equipment

Equipment found at some points inspected do not bear Government ownership marks, which makes it difficult to identify them as State property.

It is therefore recommended that Treasury Instruction KA 0701 which stipulates that “All stores and equipment which can be marked and are not yet marked appropriately shall be marked with the Official Government marking” should be adhered to.

4.1.9.3 Pharmacy

Stock cards for medicine and registers for drugs are not updated upon receipt or issue of medicine. As a result differences were found when stock cards and registers were verified against physical stock. This practice makes it difficult to control the use of drugs and medicine.

It is therefore recommended that the registers and stock cards are updated on a regular basis upon receipt and dispensing of medicine. Regular supervisory checks should be carried out to ensure proper controls are exercised.

4.1.9.4 Security

At most of the hospitals, health centres and clinics visited in the Region, the security guards on duty were not provided with uniforms, firearms or radio transmitters. No inspections are done on vehicles entering and leaving the premises and no registers are kept to record these vehicles. This is contrary to the agreement between the Government and the Security companies.

Expired fire extinguishers were also found all over the region, which makes the risk of fire in Government properties very high.

It is recommended that the Ministry ensures that the security service provider to adhere to the agreement and provide security personnel with all the necessary equipment such as weapons and two-way radios to enable them to perform their duties properly. Furthermore, they should also ensure that they execute their duties as per the stipulated agreement.

Expired fire extinguishers should be replaced and serviced annually.

5. ACKNOWLEDGEMENT

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

6. EMPHASIS OF MATTER

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 Under expenditure. The total budget was underspend with an amount of N\$53 278 889.64 (1.56%).
- b) Paragraph 4.1.2 Virements. Differences in disclosure between the general ledger and the Appropriation account.

7. BASIS FOR DISCLAIMER OF OPINION

The audit could not obtain sufficient appropriate audit evidence on several matters which resulted in a scope limitation. As such, the expression of the audit opinion on the financial statements was severely affected. I am not in a position to express any opinion due to the following reasons:

- i) Failure to submit documents and records on three bank accounts;
- ii) Suspense accounts not cleared at the end of the financial year as a result of reconciliations not performed;
- iii) Failure to provide two annual report statements;
- iv) Poor recordkeeping resulting in outstanding revenue of N\$ 4 115 360.42;
- v) Trade account not properly maintained;
- vi) Stock cards and register for draughts not updated in Omaheke Region; and
- vii) Security of Health facilities compromised.

8. DISCLAIMER OF OPINION

I certify that I have audited the financial statements of the Ministry of Health and Social Services for the year ended 31 March 2012 in accordance with Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, 1991 (Act 31 of 1991).

Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

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NAMIBIA

1. FINANCIAL STATEMENTS

1.1 Appropriation account

2011/2012						2010/2011
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Minister:						
Original budget	4 537 000					
Plus: Virement	687 504	5 224 504	4 320 790.60	903 713.40	17.30	4 160 636.47
02. Human Resource Management and General Services:						
Original budget	95 254 000					
Plus: Virement	72 351	95 326 351	92 172 376.42	3 153 974.58	3.31	75 807 993.54
03. Referral Hospital Services:						
Original budget	855 360 000					
Plus: Virement	15 861 839	871 221 839	929 758 564.07	(58 536 725.07)	(6.72)	837 765 884.45
04. Regional Health and Social Welfare Services:						
Original budget	2 053 615 000					
Plus: Virement	83 730 474	2 137 345 474	2 067 224 140.75	70 121 333.25	3.28	1 502 032 746.47
05. Primary Health Care Services:						
Original budget	27 885 000					
Plus: Virement	1 245 581	29 130 581	28 397 595.10	732 985.90	2.52	27 408 456.75
06. Development Social Welfare Services:						
Original budget	30 700 000					
Plus: Virement	513 100	31 213 100	27 467 972.72	3 745 127.28	12.00	23 595 276.34
07. Tertiary Health Care Services:						
Original budget	34 527 000					
Less: Virement	(7 343 058)	27 183 942	23 189 521.54	3 994 420.46	14.69	21 318 642.27
08. Policy Planning and Human Resources Development:						
Original budget	107 862 000					
Less: Virement	(7 806 465)	100 055 535	78 840 168.75	21 215 366.25	21.20	35 975 624.89

ANNEXURE A (continued)

Appropriation account (continued)

2011/2012						2010/2011
Service		Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure
	N\$	N\$	N\$	N\$	%	N\$
09. Finance and Logistics:						
Original budget	82 292 000					
Plus: Virement	1 758 661	84 050 661	76 403 805.74	7 646 855.26	9.10	73 750 131.75
10. Special Disease Programmes:						
Original budget	36 346 000					
Plus: Virement	893 000	37 239 000	37 448 949.19	(209 949.19)	(0.56)	19 127 678.96
11. Automatic Energy and National Radiation Protection Regulator:						
Original budget	4 237 000					
Plus: Virement	813 354	5 050 354	4 538 566.48	511 787.52	10.13	3 230 024.83
Total		3 423 041 341	3 369 762 451.36	53 278 889.64	1.56	2 628 255 628.45

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2011/2012			2010/2011
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational				
Current expenditure: Personnel				
001. Remuneration	1 253 345 006	1 362 245 484.87	(108 900 478.87)	1 160 104 324.84
002. Employer's contribution to staff's pension fund	109 736 000	122 680 134.31	(12 944 134.31)	106 973 381.95
003. Other conditions of service	21 879 000	25 720 752.56	(3 841 752.56)	31 775 399.97
Subtotal – Personnel expenditure	1 384 960 006	1 510 646 371.74	(125 686 365.74)	1 298 853 106.76
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	40 199 829	37 815 279.31	2 384 549.69	35 573 249.79
022. Materials and supplies	623 929 735	616 765 157.43	7 164 577.57	302 690 249.90
023. Transport	61 625 576	50 863 033.81	10 762 542.19	43 346 898.75
024. Utilities	138 983 380	135 433 068.52	3 550 311.48	99 311 637.58
025. Maintenance	14 062 868	11 999 944.94	2 062 923.06	11 728 958.79
027. Other services and expenses	340 257 052	332 857 360.44	7 399 691.56	239 568 814.92
Subtotal – Goods and other services	1 219 058 440	1 185 733 844.45	33 324 595.55	732 219 809.73
Current expenditure: Membership fees and subscriptions				
041. International	2 483 000	2 330 190.14	152 809.86	4 577 078.97
Subtotal – Membership fees and subscriptions	2 483 000	2 330 190.14	152 809.86	4 577 078.97
Current expenditure: Subsidies, grants and other transfers				
043. Government organizations	4 049 000	4 048 950.98	49.02	293 158.32
044. Individual and non-profit organizations	259 409 355	259 266 370.37	142 984.63	237 207 088.94
Subtotal-Subsidies and other current transfers	263 458 355	263 315 321.30	143 033.65	237 500 247.26
Total: Current expenditure	2 869 959 801	2 962 025 727.68	(92 065 926.68)	2 273 150 242.72
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	5 591 336	3 378 206.04	2 213 129.96	5 959 573.38
102. Vehicles	58 700 000	52 051 137.90	6 648 862.10	53 971 177.69
103. Operational equipment, machinery and plant	31 780 224	29 546 534.35	2 233 689.65	22 875 386.33
Subtotal – Acquisition of assets	96 071 560	84 975 878.29	11 095 681.71	82 806 137.40
Total: Operational expenditure	2 966 031 361	3 047 001 605.97	(80 970 244.93)	2 355 956 380.12
Development				
Capital expenditure: Goods and other services				
022. Materials and supplies	6 500 000	6 485 624.80	14 375.20	1 139 199.34
027. Other services and expenses	-	-	-	3 567 614.55
Subtotal – Goods and other services	6 500 000	6 485 624.80	14 375.20	4 706 813.89
Capital expenditure: Acquisition of capital assets				
101. Furniture and office equipment	13 464 771	3 061 512.29	10 403 258.71	12 322 008.58
103. Operational equipment, machinery and plant	70 000	-	70 000.00	2 305 253.19
105. Feasibility studies, design and supervision	134 318 586	74 214 235.57	60 104 350.43	54 078 578.01
107. Construction, renovation and improvements	260 476 369	196 819 218.73	63 657 150.27	198 886 594.66
131. Government organizations	42 180 254	42 180 254.00	-	-
Subtotal - Acquisition of capital assets	450 509 980	316 275 220.59	134 234 759.41	267 592 434.44
Total: Development expenditure	457 009 980	322 760 845.39	134 249 134.61	272 299 248.33
GRAND TOTAL	3 423 041 341	3 369 762 451.36	53 278 889.64	2 628 255 628.45

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2011/12	More/(Less) than estimated	Actual revenue 2010/2011
	N\$	N\$	N\$	N\$
Health services	32 900 000	37 832 982.65	4 932 982.65	35 686 590.68
Board and lodging	4 900 000	5 457 173.91	557 173.91	5 362 093.11
Inspection fees	285 000	403 597.07	118 597.07	317 666.01
Mortuary fees	250 000	238 835.00	(11 165.00)	268 555.00
Sale of electricity	84 000	241 024.45	157 024.45	92 939.29
Ambulance fees	100 000	158 705.30	58 705.30	101 850.35
Private telephone calls	10 000	12 403.46	2 403.46	8 839.12
Miscellaneous	20 000 000	6 263 642.29	(13 736 357.71)	15 012 915.71
Medical Reports	500 000	276 547.86	(223 452.14)	325 976.03
Incineration	900 000	1 080 400.75	180 400.75	1 089 140.60
Unclaimed cheques	-	-	-	1 978 148.75
	59 929 000	51 965 312.74	(7 963 687.26)	60 244 714.65

1.4 Miscellaneous revenue

Miscellaneous revenue was computed as follows:

Description	Amount
	N\$
Amendment and Tender Document	291 129.72
Application and Registration fee	1 036 004.15
Compensation and Compassionate Clearance	166 753.10
Container Basket	141.14
Clinical Materials	12 250.00
Crutches Fees	20.00
Deduction from Salaries	266 061.19
Examination Fees	35 925.00
Generic products	76 871.74
Import & Export	2 280.00
Laboratories and Spectacles	12 550.00
Left over Food	10 434.55
License and License other Ministry	16 212.00
Lost of Property	3 646.00
Line Extension	12 700.75
Medical Application	16 359.07
P. Photocopy	259.80
Prosthesis and Wheel chair	2 766.66
Retention	3 737 270.00
Rejection Account	96 624.80
Revenue Stamp	4.00
Stethoscope and Thermometer	14 738.25
Surplus	174 742.97
Tuition fees and NHTC	271 500.00
Unclaimed cheques	4 897.40
Warehouse	1 500.00
Total	6 263 642.29

1.4 Notes to the financial statements

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

(i) Over-expenditure

Main division 03: Referral Hospital Services (N\$ 58 536 725.07 – 6.72%)

The variance was mainly under the subdivisions remuneration, GIPF and other conditions of service for the four referral hospitals; Katutura Hospital, Windhoek Central Hospital, Oshakati Hospital and Rundu Hospital.

There was a 10% general salary increment for civil servants during the 2011/2012 financial year. Additional funding amounting to N\$ 90 426 341.00 (8% of total amount) was allocated to the Ministry by the Ministry of Finance, and further advice was that the 2% should come from internal savings. The available funds were however not sufficient to cover the shortfall; hence the overspending under salaries, bonuses and vehicle allowances.

Overtime also contributed to the overspending under the remuneration budget. The vacancy rate at most of the facilities is very high resulting in the existing Nurses and Doctors performing overtime to fill the gap. The existing staff establishment is not responsive to the current and emerging health service needs resulting in the current staff members being over stretched on a daily basis.

(ii) Underexpenditure

Main division 01: Office of the Minister (N\$ 903 713.40 – 17.30%)

The variance was as a result of under spending under GIPF (political office bearers pension fund) which was over allocated. The transport subdivision also under spent due to the expenditure for the Government garage pool vehicle used by the Minister. The invoices were received very late from Government garage; hence payments could not be done at the closing of the financial year.

Main division 02: Human Resource Management and General Services (N\$ 3 153 974.58 – 3.31%)

The under spending was realized under minor capital budget. The documentation and feasibility studies were completed for minor capital works at facilities. The actual construction could however not commence by the closing of the financial year resulting in the underexpenditure.

Delays in the tendering processing especially for furniture and office equipment also resulted in the underexpenditure.

Main division 04: Regional Health and Social Welfare Services (N\$ 70 121 333.25 – 3.28%)

The underexpenditure was under development budget and was due to bureaucracy in finalizing documentation, tender evaluation and the raising of performance guarantees by contractors. As a result construction/renovation could not take place at most regional hospitals. Non performance by contractors resulted in contracts being cancelled.

Main division 05: Primary Health Care Services (N\$ 732 985.90 – 2.52%)

The under spending was due to the late approval of the Tender contract for orthopaedic materials, which caused delay in the utilization of funds and implementation of outreach services. Most of the activities which were budgeted for were covered by the development partners such as UNFPA, WHO, CDC, and Global Fund.

The non-payment for Government garage for vehicles hired during National Immunization Days also contributed to the under spending on the main division. The invoice were received late from Government garage and could not be settled by the end of the financial year.

Main division 06: Development Social Welfare Services (N\$ 3 745 127.28 – 12.00%)

The underexpenditure was due to construction which did not take place. There were delays in the preparation for Tender advertisements, i.e. the documentation for Etegameno Rehabilitation Centre was completed in October 2010 and the bills of quantities have been with the Department of Works since June 2011, waiting for approval.

Main division 07: Tertiary Health Care Services (N\$ 3 994 420.46 – 14.69%)

The under spending was mainly under the development budget. Documentation were prepared and feasibility studies were undertaken but construction did not commence.

Main division 08: Policy Planning and HRD (N\$ 21 215 366.25 – 21.20%)

The underexpenditure was under the development budget and was due to the fact that although documentation was prepared and feasibility studies undertaken, no construction took place.

Main division 09: Finance and Logistics (N\$ 7 646 855.26 – 9.10%)

The underexpenditure was due to orders amounting to N\$ 5 503 304.96 for 25 cars that was issued: (6 sedans, 4 trucks, 14 4 x4 single cabs and 1 forklift). The vehicles were delivered after the closing of the financial year.

Main division 11: Atomic Energy and National Radiation Protection (N\$ 511 787.52 – 10.13%)

The underexpenditure was due to delayed invoicing by the foreign supplier of radiation surveillance instruments. The services for maintenance of surveillance instruments are done by foreign suppliers and there were delays in the submission of invoices resulting in underexpenditure.

There were also delays in the approval of a price increase from the Tender Board for equipment that was procured through Tender.

1.4.2 Departmental revenue: Explanations of variations of N\$ 100 000 and above.

(i) Over-estimated

• **Miscellaneous**

The shortfall in collection was due to the fact that some companies did not pay retention fees. There were some old products (Medicine) on the register that have been surpassed by time and the companies decided to discontinue them. The medicine will soon be gazetted and removed from the medicine register.

• **Medical Reports**

The Ministry collects revenue though minimal by charging patients when requesting any medical reports resulting from consultations with the medical officers. It is very difficult to make projections for revenue collectable from the issuing of medical reports.

Projections are mainly based on history which may be misleading as the past trends may not reflect the current trend. The collection is also effected by the fact that some Medical officers are unaware that a fee should be charged for issuing medical reports.

(ii) Underestimated

- **Health Services**

The estimate for revenue collected under the revenue head was based on past trends, which has changed due to the following:

The Ministry has during the reporting period commissioned new facilities, which has resulted in more patients being treated and hence more revenue collected than anticipated.

All MVA cases are also referred to State facilities and the Motor Vehicle Accident Fund is paying for patients treated.

- **Board & lodging**

More revenue was generated due to an effective collection system introduced in the Ministry and the creation of more accommodation facilities for health staff members.

- **Incineration**

It is a newly introduced source of revenue for the past two years. It does not have a history which makes it difficult to estimate.

- **Sale of Electricity**

Cost sharing has been introduced to share electricity cost to all private institutions operating within hospitals premises.

- **Inspection fees**

More businesses operating in rural areas than anticipated were inspected.

2. GENERAL INFORMATION

2.1 Revenue Outstanding

The Accounting Officer reported the following revenue as outstanding at 31 March 2012:

Region	Description	No. of cases	Amount
			N\$
Caprivi	Health services	524	7 926.00
Erongo	Health Services	66 786	576 481.73
Hardap	Health Services	16 150	157 500.00
Karas	Health Services	14 473	471 213.72
	Board and Lodging	5	8 810.00
	Mortuary	23	3 080.00
	Sales of electricity	1	2 709.68
	Private calls	1	1 080.06
	Ambulance fees	26	3 650.00
Katutura State Hospital	Health services	36	279 725.00
	Incinerator	12	11 700.00
Kavango	Health services	5 060	26 985.40
Khomas	Health services	10 690	71 203.00
Kunene	Health Services	14 070	109 820.00
	Mortuary	17	520.00
Ohangwena	Health services	17 872	291 559.00
Omaheke	Health services	3 280	61 750.00
Omusati	Health services	23 603	187 452.00
Oshakati	Health services	5 523	1 836 841.56
Oshana	Health services	2 030	16 652.00
Oshikoto	Health services	11 177	59 341.00
Otjozondjupa	Health services	44 498	327 530.00
Rundu State Hospital	Health services	920	35 200.00
Windhoek Central Hospital	Health services	459	148 938.00
	Mortuary	7	2 100.00
TOTAL		169 933	4 115 360.42

(See paragraph 4.1.7)

2.2 Study assistance

The Ministry provided three hundred and ninety four (394) candidates with financial assistance to a total amount of N\$ 3 849 989.94. Nine (9) candidates who previously benefited from the assistance have complied with their agreements during the financial year.

2.3 Bank accounts

The following are the bank accounts of the Ministry held at commercial banks:

Account name	Institution/ bank name	Balance as at 31/03/2011
		N\$
Demographic Health Survey	Nedbank	539 744.45
WHO House Hold Survey and National	Nedbank	12 666 233.87
NEA Project Fund	First National Bank	6 620.85
Social Welfare Trust For Older Persons	Bank Windhoek	165 572.46
Oshakati Medical Seminar	Standard Bank	91 186.39
Treatment of State Patient with Special Disease	Standard Bank	1 165 811.78
Caprivi Regional Health Directorate	Bank Windhoek	12 393.36
United Nation Population Fund	First National Bank	48 240.00
Karas Region TB Round 5	Standard Bank	2 792.26
Global Fund Round 5	Standard Bank	430.41
HIV/AIDS Trust Call Account	Standard Bank	2 664 377.09
Global Fund Principal Recipient Letter of Account	Standard Bank	56 499 798.30
Case Management Global Fund Account	Standard Bank	5 382 297.92
TB Global Fund Principal Recipient Call Account	Standard Bank	762.82
MoHSS GL Malaria Round 6 IR	Standard Bank	1 320 091.20
Malaria	Standard Bank	306 122.54
Condoms Global Fund	Standard Bank	729 563.93
The CDC Cooperative Agreement Current Account	Standard Bank	1 858 765.95
TB Global Fund Round 5	Standard Bank	5 040 667.00
Prevention of Mother to Child Transmission of HIV/AIDS Program	Standard Bank	1 088 925.56
Global Fund Principal Recipient Malaria Account	Standard Bank	2 990 967.21
Global Fund Principal Recipient Malaria Account	Standard Bank	90 948.87
Oshikoto Regional Health Directorate Account	Standard Bank	18 781.50
Communication for Behaviour Impact	Standard Bank	2 958.45
Adolescent Friendly Health Services	Standard Bank	42 428.55
MoHSS VCT/IR Global Fund	Standard Bank	754 156.33
MoHSS Nutrition Global Fund	Standard Bank	397 183.81
Gobabis UNICEF Fund Project	Standard Bank	3 221.40
Eenhana EMOC Project Account	Standard Bank	59.81
Khomas Regional Health Promoters	Standard Bank	67 983.69
Otjozondjupa Global Fund	Standard Bank	3 513.23
UNFPA/Combi	First National Bank	9 383.95
UNFPA/AFHS	First National Bank	63 102.74
UNHCR-OSIRE	First National Bank	46 213.77
Home Based Care Programme	Standard Bank	546 239.90
Global Fund Principal Recipient HIV/AIDS Account	Standard Bank	10 095.44
Erongo global Fund Project	Standard Bank	558.62
Investment Account	Standard Bank	3 387 825.72
Petty Cash Account	Bank Windhoek	214 429.38
Cash Advance Bank Account	Bank Windhoek	100 224.90
Omusati TB Control Program	Standard Bank	48 728.63
Directorate Omusati Region	Bank Windhoek	21 064.64
MOHSS	Bank Windhoek	46 793.15
Global Fund Principal Recipient HIV/AIDS Account	Standard Bank	8 815.48
HIV/AIDS Trust Current Account	Standard Bank	31 460.13
Global Fund Principal Recipient Current Account	Standard Bank	10 153.68
Global Fund Principal Recipient TB Account	Standard Bank	651 298.88

(See paragraph 4.1.6)

2.4 Development projects

(i) The following were the development projects of the Ministry for the year under review:

Nature of project	Approved total cost/ budget	Adjusted appropriation 2011/2012	Total expenditure at 31/03/2011	Actual expenditure 2011/2012	Total expenditure at 31/03/2012	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Etegameno Rehabilitation	15 000 000	7 000 000	1 903 791.15	3 759 150.85	5 662 942.00	01/04/2013
Renovation of MOHSS Head Office	69 078 000	1 520 000	27 707 572.94	653 238.98	28 360 811.92	14/10/2013
Gobabis Hospital Renovation	21 500 000	9 000 000	8 400 387.47	664 321.71	9 064 709.18	31/03/2013
Katutura Hospital renovation	135 698 000	10 000 000	109 096 577.11	6 399 961.47	115 496 538.58	31/03/2014
Windhoek Central Hospital	106 670 000	9 705 000	115 486 885.37	6 082 833.95	121 569 719.32	31/03/2014
Oshakati Hospital extension	427 946 000	64 022 000	249 685 436.30	62 981 623.77	312 667 060.07	31/03/2013
Khorixas Hospital upgrading	32 953 000	3 551 000	32 199 196.28	1 628 146.56	33 827 342.84	31/03/2014
Tsandi District Hospital	48 075 000	3 000 000	38 178 220.06	1 015 179.99	39 193 400.05	31/03/2013
Outjo Hospital extension & Renovation	24 400 000	3 000 000	29 979 610.56	380 851.04	30 360 461.60	31/03/2013
Omaruru Hospital extension	24 500 000	2 000 000	29 885 423.93	120 807.53	30 006 231.46	31/08/2013
Nationwide PHC Clinic Upgrading and construction	363 500 000	87 020 000	225 013 512.62	84 656 586.65	309 670 099.27	31/03/2014
Nationwide PHC Centre Construction and upgrading	260 250 000	44 550 000	93 934 598.16	27 892 710.95	121 827 309.11	31/03/2015
Okakarara Hospital upgrading	40 700 000	3 000 000	28 929 853.50	2 315 670.84	31 245 524.34	31/03/2014
Rundu Hospital upgrading	41 200 000	6 500 000	54 855 088.07	4 032 687.86	58 887 775.93	02/09/2013
Nationwide Mortuaries Upgrading	9 120 000	800 000		94 606.19	94 606.19	31/08/2014
Swakopmund Hospital upgrading	43 233 000	10 000 000	24 191 038.68	8 388 249.98	32 579 288.66	31/03/2013
Katima Mulilo Hospital upgrading	48 800 000	20 000 000	49 966 118.52	17 689 670.43	67 655 788.95	31/03/2014
Eenhana Hospital extension	21 100 000	2 000 000	15 593 616.66	695 773.06	16 289 389.72	31/03/2013
Mariental Hospital Renovation	31 023 000	6 025 786	11 398 539.92	5 411 954.34	16 810 494.26	31/03/2013
Keetmanshoop Hospital upgrading	52 600 000	6 000 000	21 259 663.60	2 911 616.96	24 171 280.56	31/08/2014
Okahandja hospital upgrading	26 000 000	5 000 000	9 766 800.07	1 910 234.08	11 677 034.15	31/03/2014
Okahao Hospital Renovation	27 500 000	11 000 000	13 212 766.39	6 535 281.34	19 748 047.73	31/08/2014
Onandjokwe Hospital upgrading	53 572 000	7 901 822	21 210 606.08	4 178 998.87	25 389 604.95	31/03/2014
Otjiwarongo Hospital Upgrading	24 860 000	4 000 000	5 349 780.19	35 403.27	5 385 183.46	31/03/2013
Renovation of the Regional Offices	72 404 000	9 500 000	27 076 759.10	1 268 670.21	28 345 429.31	31/03/2014
Renovation of St Mary's Hospital	18 400 000	5 000 000	12 081 468.08	1 460 797.83	13 542 265.91	31/03/2013
Renovation of Regional Training centres	41 000 000	1 486 367	1 258 165.46	26 395.76	1 284 561.22	31/03/2014
Usakos Hospital Upgrading	20 000 000	3 000 000	1 713 830.23	1 431 574.44	3 145 404.67	31/03/2013
Development and strengthening of network infrastructures	6 400 000	6 500 000	1 369 149.42	6 485 624.80	7 854 774.22	31/03/2014
Nationwide Replacement and Construction of Incinerators	17 300 000	6 000 000	6 951 899.40	4 573 891.03	11 525 790.43	31/03/2014
Minor capital works - Maintenance and repairs	96 500 000	20 000 000	47 146 518.44	17 690 226.26	64 836 744.70	01/04/2030
Opuwo District Hospital	24 500 000	6 500 000	84 260.50	1 167 874.11	1 252 134.61	31/03/2014
Okongo District Hospital	18 500 000	2 500 000	19 147.50	209 402.83	228 550.33	31/03/2014
Nkurenkuru District Hospital	31 000 000	3 000 000	866 439.07	52 580.30	919 019.37	31/03/2013
Omuthiya District Hospital	4 500 000	8 580 000	2 071 096.21	5 954 216.93	8 025 313.14	31/03/2013
Outapi District Hospital	25 497 000	2 500 000	882 537.34	36 771.25	919 308.59	31/03/2014
Construction & Equipment of the new CMS	91 000 000	3 848 005	-	231 085.86	231 085.86	22/04/2014
Construction of Oshikoto RMT Office	47 000 000	41 000 000	-	31 499 999.14	31 499 999.14	31/03/2013
Maternity Hospital upgrading-WCH	56 753 000	5 500 000	40 362 707.02	236 173.97	40 598 880.99	31/03/2013
Total	2 520 032 000	451 509 980	1 359 089 061.40	322 760 845.39	1 681 849 906.79	

2.5 Donations

2.5.1 Contributions/ grants/ pledges/donations/financial aid/gifts/ free services by the Government

The Ministry donated Pentavalent vaccine valued at N\$ 18 160 254 to the Government of the Republic of Cuba with the necessary Treasury approval.

2.5.2 Contributions/ grants/ pledges/donations/financial aid/gifts/ free services to the Government

The Ministry received the following donations from various donors:

(i) Foreign instances and other Governments

Name of donor	Nature of donation	Value	Treasury authorization
		N\$	
International Atomic Energy Agency	RAIS Server and Software	45 241.02	20/11/1/13 (2011/282 AM)
Church of Jesus Christ of Latter - Day Saint	Medical and Training Equipment	228 845.00	20/11/1/13 (2011/31 AM)
E.V. Germany through Ohorongo Cement	100 Wheel chairs and 48 walking frames	22 041.60	20/11/1/13 (2011/20 AM)
CDC Namibia			
Total		296 127.62	

(ii) Local instances and persons

Name of Donor	Description	Value	Treasury authorization
		N\$	
Dr. H.D. Van Der Westhuizen	Dental Equipment	50 000	20/11/1/13(2011/33 am)
Ohorongo Cement	Medical Equipment	528 105	20/11/1/13(2011/36 am)
Intaka Namibia Ltd	Generators	447 000	20/11/1/13(2011/162 am)
Total		1 025 105	

2.6 Tender Board exemptions

The Tender Board approved the following deviations from normal Tender procedures to the value of N\$ 1 615 100 639.57 for the following procurements and services:

Exemption	Description of Goods/Services	Approved value	Actual expenditure	Difference
		N\$	N\$	N\$
E1/13-01/2011	AU Conference on Health Minister	5 000 000.00	3 223 863.62	1 776 136.38
E1/13-02/2011	*Essential Procurement of Goods /Services	576 046 780.00	635 428 042.90	(59 381 262.90)
E1/13-03/2011	Purchasing of Pharmaceutical and Related Supplies	487 360 000.00	473 276 467.45	14 083 532.55
E1/13-04/2011	Procurement of Condoms to the MOHSS	16 799 400.00	7 805 673.04	8 993 726.96
E1/13-05/2011	Capital Projects: TIPEEG - MOHSS	280 629 371.57	36 930 651.68	243 698 719.89
E1/13-06/2011	Re-branding of condoms for the MOHSS	2 281 929.00	270 595.00	2 011 334.00
E1/13-07/2011	Exemption on Contract A13-01/2009: Supply and Delivery of Uniforms	-	551 333.50	(551 333.50)
E1/13-07/2011	Exemption on Contract A13-02/2009: Supply and Delivery of Shoes	-	96 946.00	(96 946.00)
E1/13-08/2011	Exemption for Upgrading Rosh Pinah State Clinic	3 152 845.00	-	3 152 845.00
E1/13-09/2011	Exemption on contract A13-39/2009: Service, Maintenance and Repair of Medical and Lab Equipment	-	38 775.04	(38 775.04)
E1/13-10/2011	Consultation Services at the Ministry of Health and Social Services	337 931.00	337 930.01	0.99
E1/13-11/2011	Extension to construct 20 prefabricated housing units	700 000.00	-	700 000.00
E1/13-12/2011	Exemption for Capital Projects: TIPEEG Projects	243 212 383.00	33 069 817.07	210 142 565.93
	Total	1 615 520 639.57	1 191 030 095.31	424 490 544.26

* This exempted amount comprises of the following:

Category	Approved value
	N\$
Subsistence and traveling expenses	2 489 000
Material and supplies	52 056 000
Transport	38 198 000
Utilities	89 175 000
Maintenance expenses	8 166 000
Other services and expenses	140 105 000
Membership fees & subscriptions	1 420 000
Government organizations and claims against the State	5 500 000
Current transfers to individuals and non profit organizations	231 177 000
Furniture and office equipment	1 396 780
Vehicles	4 500 000
Operational equipment	1 864 000
Total	576 046 780

2.13 Trade account: Central Medical Store

Profit and loss statement for the year ended 31 March 2012

	2011/2012
	N\$
Sales	438 167 470.86
Less: Cost of sales	493 123 284.80
Opening stock	168 330 805.31
Purchases	510 243 600.52
Less: Closing stock	(185 451 121.03)
Gross income	(54 955 813.94)
Less: Expenditure	(3 182 678.17)
Expired	(8 447 783.34)
Damaged	(22 772.09)
Add: Surplus	5 287 877.26
Net Loss for 2011/2012	(58 138 492.11)

(See paragraph 4.1.8)

WINDHOEK, 2012-10-03

MR A NDISHISHI
ACCOUNTING OFFICER