



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 2013

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REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Ministry of Health and Social Services for the financial year ended 31 March 2013 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Finance in terms of Section 27(1) of the State Finance Act, 1991, (Act 31 of 1991) to be laid upon the Table of the National Assembly in terms of Section 27(4) of the Act.

WINDHOEK, September 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE
MINISTRY OF HEALTH AND SOCIAL SERVICES
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2013**

1 INTRODUCTION

This report on the accounts of the Ministry of Health and Social Services for the financial year ended 31 March 2013 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the State Finance Act, 1991(Act 31 of 1991), as amended.

Report on the Financial Statements

I have audited the accompanying financial statements of the Ministry of Health and Social Services for the financial year ended 31 March 2013. These financial statements comprise the: Appropriation Account, Standard Subdivisions, Departmental Revenue, Miscellaneous Revenue, Expenditure Ledger for the year then ended, and notes to the financial statement and general information submitted.

The appropriation account was submitted to the Auditor-General in terms of Section 13 of the State Finance Act, Act 31 of 1991.

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

2 MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 & 13 of the State Finance Act, Act 31 of 1991 and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3 AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on our audit. I conducted our audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1)(c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) all reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) all reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) the expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1)(b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4 AUDIT FINDINGS

4.1 EMPHASIS OF MATTERS

I draw attention to the following matters which relate to my responsibility in the audit of the financial statements.

4.1.1 Expenditure

- (i) The total budget was under spent with a total amount of N\$ 202 940 777.98 (5.10%).
- (ii) One (1) main division was exceeded to the amount of N\$ 467 785.09, which is unauthorised in terms of Section 27(6)(a) of the Act; and
- (iii) Although Treasury approval was obtained to utilise expected savings for the defrayal of excess expenditure by way of virements during the year, seventeen (17) operational subdivisions were exceeded with N\$ 63 296 653.70. These excesses are unauthorised in terms of section 6(a) (iii) of the 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 underexpenditure and unauthorised expenditure in future.

4.1.2 Virements

The approved virements for the following main divisions as reflected in the General Ledger did not agree for the fourth consecutive year with the appropriation account as shown in the table below:

Main division	Approved Authorisation	Appropriation Account	Difference
	N\$	N\$	N\$
02	(6 061 831)	(5 730 248)	(331 583)
03	(20 676 272)	(39 910 912)	(19 234 640)
04	77 133 489	90 796 329	(13 662 840)
06	(1 003 240)	(1 600 000)	(596 760)
07	(8 421 750)	(4 418 000)	(4 003 750)
08	(21 030 000)	(8 324 200)	(12 705 800)
09	(28 402 969)	(28 212 969)	(190 000)
10	(5 047 569)	(5 024 000)	(23 569)
11	(335 000)	(35 000)	300 000

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

4.1.3 Subsistence and travelling allowance

The Accounting Officer reported a total of ninety four (94) cases of outstanding subsistence advances amounting to N\$ 522 989.16 as at 31 March 2013. The S&T Advance suspense account however, reflects a balance of N\$ 906 455.54 which gives an unexplained difference of N\$ 383 466.38.

It is recommended that the Accounting Officer should adhere to:-

Treasury instruction HB 0506, which states that *“where a person neglected to submit a claim for subsistence and other anticipated expenditure within 30 days after s/he returned to his headquarters, the outstanding amount on an advance against his claims shall be deducted monthly from his/her salary starting from the next month”*.

4.1.4 Suspense accounts

The main ledger showed uncleared balances in twenty nine (29) suspense accounts at 31 March 2013, sixteen (16) with credit and thirteen (13) 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	319 251 268.33
RD Cheques	382 034.99
S&T Advance Suspense Account	906 455.54
Rejection Account	9 151 087.20
Bills Payable	(53 469 628.13)
Tax Code	665 602.40
Salary Interface Control Account	677 221.38
Pension Funds:GIPF	(660 035.75)
Deposit Account AIDS	(721 546.20)

Clearing of the suspense accounts is highly recommended. It is also observed with grave concern that the Medical Stores Trade account, Rejection account and S & T Advance Suspense Account have such high balances.

Management comments

In his response on the draft report the Accounting Officer indicated that all suspense accounts were reconciled during the period under review, although some correction journals were only done in the subsequent year.

4.1.5 Trade account

The Accounting Officer reported a net loss of the Central Medical Store to the amount of N\$ 42 448 655.95 but the closing balance in the Medical Store Trade Account suspense account reflects an amount of N\$ 319 251 268.33. The difference should be explained by the Accounting Officer.

4.1.6 Tender Board Exemptions

Three (3) exemptions to the total value of N\$ 95 254 101.17 were exceeded without approval from the Tender Board. The Accounting Officer is recommended to approach Tender Board when the exemptions are to be exceeded.

It is recommended that the Accounting Officer put measures in place to avoid exceeding Tender Board exemptions.

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. UNQUALIFIED OPINION

I certify that I have audited the financial statements of the Ministry of Health and Social Services for the year ended 31 March 2013 in accordance with Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, 1991 (Act 31 of 1991).

In my opinion the financial statements fairly present the receipts and payments of Vote 13 for the year ended 31 March 2013 and in all material respects the receipts and payments have been applied for the purposes intended by the National Assembly and conform to the authorities which govern them.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

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Private Bag 13299
WINDHOEK,
NAMIBIA

7. FINANCIAL STATEMENTS

7.1 Appropriation account

2012/2013						2011/2012
Service	N\$	Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	5 012 000					
Plus: Virement	2 214 000	7 224 000	5 655 800.97	1 570 199.03	21.73	4 320 790.60
02. Human Resource Management and General Services:						
Original budget	118 643 000					
Less: Virement	(5 730 248)	112 912 752	98 414 059.45	14 498 692.55	12.84	92 172 376.42
03. Referral Hospital Services:						
Original budget	1 135 807 000					
Less: Virement	(39 910 912)	1 095 896 088	1 089 886 550.96	6 009 537.04	0.55	929 758 564.07
04. Regional Health and Social Welfare Services:						
Original budget	2 387 869 000					
Plus: Virement	90 796 329	2 478 665 329	2 325 134 250.68	153 531 078.32	6.19	2 067 224 140.75
05. Primary Health Care Services:						
Original budget	32 200 000					
Plus: Virement	245 000	32 445 000	31 778 942.84	666 057.16	2.05	28 397 595.10
06. Development Social Welfare Services:						
Original budget	33 097 000					
Less: Virement	(1 600 000)	31 497 000	24 720 851.11	6 776 138.89	21.51	27 467 972.72
07. Tertiary Health Care Services:						
Original budget	32 880 000					
Less: Virement	(4 418 000)	28 462 000	26 571 180.43	1 890 819.57	6.64	23 189 521.54
08. Policy Planning and Human Resources Development:						
Original budget	85 135 000					
Less: Virement	(8 324 200)	76 810 800	64 286 400.14	12 524 399.86	16.31	78 840 168.75

Appropriation account (continued)

2012/2013					2011/2012	
Service		Authorized expenditure	Actual Expenditure	Under-expenditure/ (Excess)	Percent age	Actual expenditure
	N\$	N\$	N\$	N\$	%	N\$
09. Finance and Logistics:						
Original budget	89 954 000					
Less: Virement	(28 212 969)	61 741 031	56 154 115.05	5 586 915.95	9.05	76 403 805.74
10. Special Disease Programmes:						
Original budget	50 046 000					
Less: Virement	(5 024 000)	45 022 000	45 489 785.09	(467 785.09)	(1.04)	37 448 949.19
11. Automatic Energy and National Radiation Protection Regulator:						
Original budget	5 325 000					
Less: Virement	(35 000)	5 290 000	4 935 275.30	354 724.70	6.71	4 538 566.48
Total		3 975 968 000	3 773 027 222.02	202 940 777.98	5.1	3 369 762 451.36

7.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational				
Current expenditure: Personnel				
001. Remuneration	1 485 064 534	1 503 180 527.41	(18 115 993.41)	1 362 245 484.87
002. Employer's contribution to staff's pension fund	119 610 000	134 779 054.63	(15 169 054.63)	122 680 134.31
003. Other conditions of service	35 650 380	46 273 382.36	(10 623 002.36)	25 720 752.56
Subtotal – Personnel expenditure	1 640 324 914	1 684 232 964.50	(43 908 050.50)	1 510 646 371.74
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	48 648 353	43 644 394.47	5 003 958.53	37 815 279.31
022. Materials and supplies	714 006 911	700 369 118.56	13 637 792.44	616 765 157.43
023. Transport	73 955 256	61 178 727.41	12 776 528.59	50 863 033.81
024. Utilities	163 095 792	149 968 938.90	13 126 853.10	135 433 068.52
025. Maintenance expenses	30 316 056	22 536 504.71	7 779 551.29	11 999 944.94
026. Property rental and related charges	143 000	118 204.00	24 796.00	-
027. Other services and expenses	457 075 380	424 057 298.35	33 018 081.65	332 857 360.44
Subtotal – Goods and other services	1 487 240 748	1 401 873 186.40	85 367 561.60	1 185 733 844.45
Current expenditure: Membership fees and subscriptions				
041. International	5 000 000	3 919 975.09	1 080 024.91	2 330 190.14
Subtotal – Membership fees and subscriptions	5 000 000	3 919 975.09	1 080 024.91	2 330 190.14
Current expenditure: Subsidies, grants and other transfers				
043. Government organizations	5 700 000	5 507 785.68	192 214.32	4 048 950.98
044. Individual and non-profit organizations	316 203 552	305 014 528.16	11 189 023.84	259 266 370.37
Subtotal-Subsidies and other current transfers	321 903 552	310 522 313.84	11 381 238.16	263 315 321.30
Total: Current expenditure	3 454 469 214	3 400 548 439.73	53 920 774.17	2 962 025 727.68
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	12 289 218	8 569 454.75	3 719 763.25	3 378 206.04
102. Vehicles	32 700 000	30 672 502.57	2 027 497.43	52 051 137.90
103. Operational equipment, machinery and plant	37 987 446	26 430 432.68	11 557 013.32	29 546 534.35
Subtotal – Acquisition of assets	82 976 664	65 672 390.00	17 304 275.00	84 975 878.29
Total: Operational expenditure	3 537 445 878	3 466 220 828.83	71 225 049.17	3 047 001 605.97
Development				
Capital expenditure: Goods and other services				
022. Materials and supplies	17 100 000	11 258 430.27	5 841 569.73	6 485 624.80
027. Other services and expenses	8 250 000	5 936 624.22	2 313 375.78	-
Subtotal – Goods and other services	25 350 000	17 195 054.49	8 154 945.51	6 485 624.80
Capital expenditure: Acquisition of capital assets				
101. Furniture and office equipment	14 005 000	6 286 179.76	7 718 820.24	3 061 512.29
105. Feasibility studies, design and supervision	93 813 961	56 350 073.09	37 463 887.91	74 214 235.57
107. Construction, renovation and improvements	305 353 161	226 975 084.95	78 378 076.05	196 819 218.73
131. Government Organization	-	-	-	42 180 254.00
Subtotal - Acquisition of capital assets	413 172 122	289 611 337.80	123 560 784.20	316 275 220.59
Total: Development expenditure	438 522 122	306 806 391.36	131 715 729.71	322 670 845.39
GRAND TOTAL	3 975 968 000	3 773 027 222.02	202 940 777.98	3 369 762 451.36

7.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2012/13	More/(Less) than estimated	Actual revenue 2011/2012
	N\$	N\$	N\$	N\$
Health services	35 700 000	44 439 677.05	8 739 677.05	37 832 982.65
Board and lodging	5 300 000	7 104 947.53	1 804 947.53	5 457 173.91
Inspection fees	318 000	441 633.02	123 633.02	403 597.07
Mortuary fees	267 000	192 234.00	(74 766.00)	238 835.00
Sale of electricity	95 000	267 423.62	172 423.62	241 024.45
Ambulance fees	102 000	139 264.31	37 264.31	158 705.30
Private telephone calls	10 000	12 074.21	2 074.21	12 403.46
Miscellaneous	15 783 000	42 437 166.18	26 654 166.18	6 263 642.29
Medical Reports	500 000	377 547.27	(122 452.73)	276 547.86
Incineration	1 090 000	1 352 811.40	262 811.40	1 080 400.75
Retention Fees	3 562 000	3 543 990.68	(18 009.32)	-
Vehicle Sales	900 000	-	(900 000.00)	-
Registration of Medicine	655 000	684 079.13	29 079.13	-
	64 282 000	100 992 848.40	36 719 848.40	5 165 312.74

7.3.1 Miscellaneous revenue

Miscellaneous revenue was computed as follows:

Description	Amount
	N\$
Amendment	206 773.19
Application fees	24 139.00
Compassionate Clearance	159 910.00
Dispensing Licence	1 000.00
Deduction from Salaries	257 199.96
Examination Fees	5 632.00
Generic Products	35 350.00
Health Certificates	542.00
Import & Export	4 000.00
Left over Food	6 922.00
License	55 422.00
Line Extension	2 750.00
Lost of Property	12 887.00
Medical Application	13 156.92
Orthosis	4 600.00
P. Photocopy	169.00
Elective Doctor	38 000.00
Revenue Stamps	2.00
Spectacles	100.00
Stethoscope	1 616.20
Surplus	41 255 390.11
Tender Documents	69 386.48
Thermometer	5 443.00
Transport	9 149.32
Tuition fees	3 500.00
Tuition fees NHTC	264 000.00
Wheel Chair	126.00
Total	42 437 166.18

7.4 Notes to the financial statements

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

(i) Underexpenditure

Main division 01: Office of the Minister (N\$ 1 570 199.03- 21.73%)

The underexpenditure of N\$ 1 570 199.03 represents a variance of 21 % and was a result of unpaid invoices of the Government Garage. The vehicles for the Honorable Minister and that of the Deputy Minister are hired from the Government Garage and Government Garage is to invoice the Ministry on monthly basis both for the rental and the fuel cost of this vehicles. Invoices are not received on time; hence the Ministry was unable to settle amounts due.

Another contributing factor to the underspending is the overestimation of the DSA for the Special Advisors to the Honorable Minister. Due to the appointment of a new special advisor, additional funds were viremented to the DSA subdivision to cover envisage trips which by the end of the financial year did not materialize.

Main division 02: Human Resource Management and general services (N\$ 14 498 692.55 - 12.84%)

The Ministry has implemented the E-Health project during the 2011/12 financial year to be rolled out to all district hospitals throughout the country over 3 years. The implementation of the project is however going slow, due to the unavailability of network infrastructure including hardware resulting in the underexpenditure.

In addition the directorate also had a challenge with regard to litigation cases. The funds budgeted for payment of court orders resulting from litigation cases could not be spend as most cases were not finalized by the closing of the financial year. It is very difficult to budget for this as it is unpredictable as to how much would be needed.

Main division 04: Regional Health and Social Welfare Services (N\$ 153 531 078.32 – 6.19%)

The support by Development partners towards the Human Resources for Health has been declining over the years, worsened by the reclassification of Namibia as an Upper Middle Income Country. To maintain the quality of service to the nation, Government made a huge financial commitment to absorb staff previously funded by donors. The staff included Medical Officers, Pharmacist, Pharmacist Assistants, Nurses, Community Councillors and M & E staff.

For the staff to be absorbed however, positions had to be created on the staff establishment of the Ministry and this delayed the absorption process. During the 2012/2013 financial year only Medical Officers, Pharmacists and Pharmacist Assistants could be transitioned to Government, resulting in the underexpenditure.

The underexpenditure were also as a result of the transfer of N\$ 10 876 174.39 to Onandjokwe Mission facility that was committed and forwarded to the Ministry of Finance but not transferred to the bank account of the hospital. The late approval of the virement as well as outstanding commitments due to companies/suppliers not delivering on time also contributed to the underexpenditure.

Main division 05: Primary Health Care Services (N\$ 666 057.16 – 2.05%)

The late approval of the tender for orthopedic materials caused delays in the utilization of funds and the implementation of OTS outreach services. In addition some of the budgeted activities such as venues for training as well as travelling allowances were covered by donor agencies (UNPFA, WHO, UNICEF, CDC and Global Fund) co-funding some activities like National Immunization days.

Main division 06: Development Social Welfare Services (N\$ 6 776 138.89 – 21.51%)

The contracting of a consultant for the policy on Financial Assistance to Registered Welfare Organizations was delayed due to the lack of expertise in the field in Namibia, as well as the fact that the short term consultancy (STC) did not follow the policy framework of the MOHSS. Payments were not made on time due to the delays caused.

In addition 12 guidelines are outstanding due to a lack of expertise and non-compliance with Tender Board requirements. These documents had to be re advertised more than twice (some even more than 3 times). Thus the funds budgeted for these guidelines could not be utilized.

Student social workers are appointed at facilities for internship purposes. These students are paid a monthly allowances and this was budgeted for under the remuneration subdivision of the Directorate Social Welfare Services. The allowances are however, payable under subdivision other Services and Expenses – 027 and were paid there instead of remuneration, hence the underexpenditure.

Main division 07: Tertiary Healthcare Services (N\$ 1 890 819.57 – 6.64%)

The contract with the Cuban volunteers came to an end on 31 March 2013 and a new contract was implemented as from 01 April 2013. Due to the above the volunteers at the Windhoek Clinical Engineering Workshop returned to Cuba upon the expiry of the contract, resulting in staff shortages which impacted planned regional activities such as outreach services.

The procurement of computers was also delayed due to tenders that were not awarded by the closing of the financial year.

Main division 08: Policy, Planning and Human Resource Development (N\$ 12 524 399.86 – 16.31%)

The high staff turnover rate contributed to 57 % of the underspending under the remuneration subdivision. There were five resignations, one retirement and two promotions during the financial year, which was not anticipated.

The unavailability of teaching aids and prescribed books for simulation used at the Training Network locally also contributed to the under-spending. The Directorate ordered from a South African supplier who failed to deliver some of the items resulting in expenditure that had to be carried over to the next financial year.

Main division 09: Finance and Logistic (N\$ 5 586 915.95 – 9.05%)

The companies on contract for the issue of official hospital forms could not deliver resulting in the termination of the contract. Procurement of the forms were not part of the annual exemption and the new tender could not be finalized by the closing of the financial year; hence the underexpenditure.

Although the orders for the procurement of vehicles were placed for 12 cars, delivery as well as the payments were only done in the 2013/2014 financial year resulting in the underexpenditure.

Main division 11: Atomic energy and National Radiation Protection Regulator (N\$ 354 724.70 – 6.71%)

The underexpenditure identified under subdivision Operational Equipment, Machinery and Plant (103) was earmarked for virementation to Other Services and Expenses (027) for the payment of consultancies. The funds were however, wrongly viremented to subsistence and travelling allowances and could not be used since there were no planned activities.

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

(i) Over-estimated

- **Vehicle Sales**

The Ministry did not sell any vehicles during the financial year under review, therefore no revenue were collected.

- **Medical Reports**

A fee is charged to patients requesting medical reports resulting from consultations with Medical Officers. The under collection could be due to incorrect estimates since it is difficult to predict with certainty how many clients will require medical reports.

Projections are mainly based on history which may be misleading as the past trends may not reflect future trends. The collection is also affected by the fact that some medical officers are unaware that a fee should be charged for the issue of medical reports; awareness in this regard should be strengthened.

(ii) Underestimated

- **Miscellaneous**

The surplus in collection was due to the fact that some companies have paid their retention fees, the products will soon be gazetted and removed from the medicine register.

The collections are projected to increase in the upcoming financial year as the Namibia Medicine Regulatory Council is now also mandated to register new items such as Veterinary medicines, complementary medicines and medical devices.

- **Health Services**

The estimate for revenue collected under the revenue head was based on the past trends which have changed due to the commissioning of new health facilities which has resulted in more patients being treated, hence more revenue collected than anticipated.

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

- **Board and Lodging**

The over collection was due to the effectiveness in the collection system introduced by the Ministry. More accommodation facilities were created for health staff members.

- **Inspection Fees**

More business operating in rural areas than anticipated were inspected.

- **Sale of Electricity**

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

- **Incineration**

More health facilities in the country were informed to use the incineration facilities to avoid health hazards in the community; as a result more fees were collected.

8. GENERAL INFORMATION

8.1 Revenue Outstanding

The Accounting Officer reported the following revenue as outstanding at 31 March 2013:

Region	Description	No. of cases	Amount
			N\$
Erongo	Health services	61 405	719 943.73
Hardap	Health Services	16 856	145 569.89
//Karas	Health Services	23 058	1 067 026.00
Kavango	Health Services	20 419	18 972.00
Khomas	Board and Lodging	251 050	48 688.00
Kunene	Mortuary	4 565	77 366.00
Ohangwena	Sales of electricity	10 272	371 086.00
Omaheke	Private calls	3 859	88 680.00
Omusati	Ambulance fees	25 801	179 599.00
Oshana	Health services	1 850	26 709.00
Oshikoto	Incinerator	14 368	72 372.00
Otjozondjupa	Health services	10 272	100 380.00
Zambezi	Health services	737	5 346.00
Katutura Intermediate Hospital	Health Services	97	225 095.00
Oshakati Intermediate Hospital	Mortuary	5 956	1 436 880.25
Rundu Intermediate Hospital	Health services	2 600	59 040.00
Windhoek Central Hospital	Health services	125	448 233.64
TOTAL		453 290	5 090 986.51

8.2 Compensation payments

Treasury approved payment of N\$ 515 461.34 in respect of four (4) claims against the State during the financial year under review.

8.3 Outstanding Commitments

The Ministry reported outstanding commitments to a total of N\$ 683 367.41 at the end of the financial year under review.

8.4 Study assistance

The Ministry provided four hundred and sixty two (462) candidates with financial assistance to a total amount of N\$ 5 259 378.01. Fourteen (14) candidates who previously benefited from the assistance have complied with their agreements during the financial year.

8.5 Bank accounts

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

Account name	Institution/ bank name	Balance as at 31/03/2013
		N\$
Global Fund PR Malaria	Standard Bank	472 997.16
MoHSS – Windhoek Central Hospital	Bank Windhoek	29 125.53
Global Fund Principal Recipient HIV CFC	Standard Bank	US\$ 4 870 750
Global Fund Principal Recipient TB CFC	Standard Bank	2 829 477.12
UNFPA/Combi	First National Bank	11 372.74
UNFPA/AFHS	First National Bank	24 190.91
UNHCR – OSIRE	First National Bank	271 303.29
Oshikoto Regional Health Directorate Account	Standard Bank	228 212.33
Communication for Behaviour Impact	Standard Bank	3 288.02
Adolescent Friendly Health Services	Standard Bank	34 613.83
Gobabis UNICEF	Standard Bank	447.56
Caprivi UNFPA	First National Bank	4 201.47
Caprivi Regional Health Directorate Account	Bank Windhoek	33 427.36
Eenhana EMOC Project	Standard Bank	69.14
Oshakati Medical Seminar	First National Bank	159 613.14
Namibia Aids Trust Fund	Standard Bank	2 965 541.79
Global Fund Public Recipient Management	Standard Bank	10 480.31
Global Fund Principal Recipient Call	Standard Bank	88 976 116.53
Global Fund Principal Recipient Call	Standard Bank	3 700 772.21
Global Fund Principal Recipient TB	Standard Bank	5 761 050.57
Global Fund Principal recipient MALARIA	Standard Bank	3 182 568.09
Global Fund Namibia Aids Trust	Standard Bank	19 051.02
North East Aids Project Fund	First National Bank	72 337.49
Directorate Omusati Region Account	Bank Windhoek	22 270.63
Kunene Region UNICEF	First National Bank	115 441.32
Khomas Regional Health Promoter	Standard Bank	46 025.04
MoHSS – WHO PROJECT	Nedbank	8 974 759.58
MoHSS – WHO PROJECT	Nedbank	264 603.68
MoHSS – NTLF SSF GLOBAL FUND	Standard Bank	2 937 337.48
MoHSS – GLOBAL FUND HIV/AIDS	Standard Bank	2 067 718.57
MoHSS – GLOBAL FUND HIV/AIDS	Standard Bank	4 287 444.95
MoHSS – GLOBAL FUND HIV/AIDS	Standard Bank	975 905.65
MoHSS – GLOBAL FUND HIV/AIDS	Standard Bank	6 311 647.51
MoHSS – GLOBAL FUND HIV/AIDS	Standard Bank	2 920 950.76
MoHSS – GLOBAL FUND HIV/AIDS	Standard Bank	7 475 939.02
MoHSS – GLOBAL FUND MALARIA	Standard Bank	1 056 885.78
CDC MoHSS – SP	Standard Bank	15 310 779.18
Treatment For State Patients	Standard Bank	995 932.25
Global Fund Principal Recipient HIV	Standard Bank	10 601.14
Social Welfare Trust	Bank Windhoek	99 043.01
Petty Cash Bank Account	Bank Windhoek	119 914.78

8.6 Capital 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 2012/2013	Total expenditure at 31/03/2012	Actual expenditure 2012/2013	Total expenditure at 31/03/2013	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Etegameno Rehabilitation	20 500 000	3 300 000	5 662 942.00	14 623.27	5 677 565.27	01/04/2013
Renovation of MOHSS Head Office	58 358 000	3 800 000	28 360 811.92	921 877.63	29 282 689.55	14/10/2013
Gobabis Hospital Renovation	22 200 000	10 000 000	9 064 709.18	2 845 592.42	11 910 301.60	31/03/2013
Katutura Hospital renovation	188 156 000	20 000 000	115 496 538.58	12 435 222.92	127 931 761.50	31/03/2014
Windhoek Central Hospital	202 104 000	20 200 000	121 569 719.32	14 802 015.98	136 371 735.30	31/03/2014
Oshakati Hospital extension	489 512 000	69 000 000	312 667 060.07	58 083 901.27	370 750 961.34	31/03/2013
Khorixas Hospital upgrading	35 453 000	355 322	33 827 342.84	115 322.00	33 942 664.84	31/03/2014
Tsandi District Hospital	45 595 000	3 900 000	39 193 400.05	319 438.91	39 512 838.96	31/03/2013
Outjo Hospital extension & Renovation	23 400 000	6 460 000	30 360 461.60	3 217 917.84	33 578 379.44	31/03/2013
Tsumeb Hospital Upgrading	6 600 000	500 000	-	128 038.24	128 038.24	31/03/2014
Omaruru Hospital extension	24 300 000	540 000	30 006 231.46	144 681.57	30 150 913.03	31/08/2013
Nationwide PHC Clinic Upgrading and construction	426 289 000	65 000 000	309 670 099.27	64 398 871.59	374 068 970.86	31/03/2014
Nationwide PHC Centre Construction and upgrading	353 151 000	66 000 000	121 827 309.11	58 127 463.72	179 954 772.83	31/03/2015
Okakarara Hospital upgrading	40 200 000	5 000 000	31 245 524.34	992 059.53	32 237 583.87	31/03/2014
Rundu Hospital upgrading	58 300 000	10 000 000	58 887 775.93	4 591 561.45	63 479 337.38	02/09/2013
Nationwide Mortuaries Upgrading	6 700 000	1 750 000	94 606.19	921 416.73	1 016 022.92	31/08/2014
Swakopmund Hospital upgrading	47 142 000	3 000 000	32 579 288.66	709 447.06	33 288 735.72	31/03/2013
Katima Mulilo Hospital upgrading	30 300 000	5 000 000	67 655 788.95	2 956 023.28	70 611 812.23	31/03/2014
Eenhana Hospital extension	20 100 000	1 000 000	16 289 389.72	552 604.52	16 841 994.24	31/03/2013
Mariental Hospital Renovation	30 723 000	2 040 000	16 810 494.26	789 371.97	17 599 866.23	31/03/2013
Keetmanshoop Hospital upgrading	44 000 000	7 000 000	24 171 280.56	3 501 917.41	27 673 197.97	31/08/2014
Okahandja hospital upgrading	27 000 000	4 000 000	11 677 034.15	-	11 677 034.15	31/03/2015
Okahao Hospital Renovation	26 500 000	6 000 000	19 748 047.73	2 590 965.80	22 339 013.53	31/08/2014
Onandjokwe Hospital upgrading	59 000 000	10 000 000	25 389 604.95	5 742 893.43	31 132 498.38	31/03/2015
Otjiwarongo Hospital Upgrading	27 860 000	5 000 000	5 385 183.46	4 334 781.02	9 719 964.48	31/03/2013
Renovation of the RMT Offices	64 603 000	5 750 000	28 345 429.31	1 744 615.93	30 090 045.24	31/03/2014
Renovation of St Mary's Hospital	19 400 000	7 000 000	13 542 265.91	2 819 115.58	16 361 381.49	31/03/2013
Renovation of Regional Training centres	31 000 000	5 940 000	1 284 561.22	3 848 885.52	5 133 446.74	31/03/2014
Usakos Hospital Upgrading	17 000 000	4 000 000	3 145 404.67	1 659 043.48	4 804 448.15	31/03/2013
Development and strengthening of network infrastructures	432 400 000	15 000 000	7 854 774.22	9 421 045.87	17 275 820.09	31/03/2014
Grootfontein Hospital Upgrading	13 500 000	3 000 000	11 525 790.43	1 264 786.40	12 790 576.83	31/03/2015
Minor capital works - Maintenance and repairs	111 500 000	25 000 000	64 836 744.70	22 556 060.12	87 392 804.82	01/04/2030
Opuwo District Hospital	21 000 000	4 760 000	1 252 134.61	637 176.70	1 889 311.31	31/03/2014
Okongo District Hospital	11 500 000	2 000 000	228 550.33	120 719.28	349 269.61	31/03/2014
Nkurenkuru District Hospital	20 000 000	6 000 000	919 019.37	2 386 029.53	3 305 048.90	31/03/2013
Omuthiya District Hospital	10 500 000	3 000 000	8 025 313.14	1 541 784.81	9 567 097.95	31/03/2013
Outapi District Hospital	13 500 000	2 000 000	919 308.59	247 802.40	1 167 110.99	31/03/2014
Andara Hospital Upgrading	2 250 000	4 000 000	-	351 357.36	351 357.36	01/03/2015
Construction & Equipment of the new CMS	31 100 000	2 750 000	231 085.86	1 476 068.38	1 707 154.24	22/04/2014
Construction of Oshikoto RMT Office	52 000 000	5 000 000	31 499 999.14	3 867 856.08	35 367 855.22	31/03/2013
Maternity Hospital upgrading-WCH	44 068 000	4 000 000	40 598 880.99	3 216 168.78	43 815 049.77	31/03/2013
DHS and Follow Up Research	6 000 000	4 000 000	-	3 602 165.51	3 602 165.51	31/03/2013
Renovation of Senior Park	2 476 000	976 000	-	177 642.70	177 642.70	31/03/2014
National AIDS Coordination Project	9 000 000	3 000 000	-	2 630 058.30	2 630 058.30	31/03/2013
Total	3 226 240 000	436 021 322	1 681 849 906.79	306 806 391.36	1 988 656 298.15	

(ii) Donor funded projects

The Accounting Officer reported that a total amount of N\$ 9 184 869.00 was funded by the Spanish Government during the financial year for the construction of a maternity ward at Opuwo clinic

(iii) HIV/AIDS Project

The Accounting officer reported a total expenditure to the amount of N\$ 100 163 839.09 from the Global Fund Support for HIV/AIDS during the year under review.

8.7 Donations**8.7.1 Donations 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 Training and Education Centre for Health	7 Speculum Medium, Size no 7	595.00	20/11/1/13 (2012/47 AM)
Association for Children with Language, Speech and Hearing impairment of Namibia	Audiometer	11 400.00	20/11/1/13 (2012/46 AM)
President Emergency Plan for Aid Relief, University Research	Furniture and Labour Saving Devices	233 720.78	20/11/1/13 (2012/126 AM)
Centrum fur Internationale Migration und Entwicklung	Labour Saving Devices	7 708.76	20/11/1/13 (2012/160 AM)
German Doctors	Surgical Equipment	112 300.00	20/11/1/13 (2012/193 AM)
Church of Jesus Christ of Latter Day Saint	Medical Equipment	138 127.76	20/11/1/13 (2012/194 AM)
United Nations Population Fund Agency	Medical Equipment	6 822.07	20/11/1/13 (2012/250 AM)
Total		510 674.37	

(ii) Local instances and persons

Name of Donor	Description	Value	Treasury authorization
		N\$	
Neo Medical Company	ENT Set	39 132.41	20/11/1/13(2012/489am)
Iipinge Family	9M x 4.50M Shelter	15 625.00	20/11/1/13(2011/29 am)
Total		54 57.41	

8.8 Equipment

The Accounting Officer reported that 48 points were inspected by the Ministry for the year under review. During the inspections surpluses of N\$ 3 462 031.45, deficiencies of N\$ 256 934.43, worn and damaged items of N\$ 428 991.13 and obsolete and redundant items valued at N\$ 7100 were discovered.

8.9 Vehicles

The Ministry had one thousand eight hundred and sixty one (1 861) vehicles at 31 March 2013. A total of 71 vehicles were purchased and 100 vehicles were donated to the Ministry during the financial year under review.

Fifty two (52) accidents were reported during the year. Sixteen (16) vehicles were repaired at a total cost of N\$ 491 042.52. Thirty vehicles needed repair at 31 March and six (6) were damaged beyond repair.

8.10 Inspections

Eight (8) financial inspections were conducted by the Ministry during the financial year under review. Most of the inspected points were classified as unsatisfactory.

8.11 Tender Board exemptions

The Tender Board approved the following deviations from normal tender procedures to the value of N\$ 1 430 160 676.71 for the following procurements and services:

Exemption	Description of Goods/Services	Approved value	Actual expenditure	Difference
		N\$	N\$	N\$
E1/13-01/2012	*Essential Procurement of Goods /Services	1 016 098 000.00	1 042 578 864.43	(26 480 768.43)
E1/13-02/2012	Exemption on contract A13-53/2010: Supply and Delivery of fuel cards to MOHSS	-	68 475 749.44	(68 475 749.44)
E1/13-03/2012	Exemption on contract A13-03/2010: Supply and delivery of linen	-	-	-
E1/13-04/2012	Procurement of Pharmaceuticals and Related Supplies	Cancelled	-	-
E1/13-05/2012	Exemption on contract A13-07/2010: Supply and Delivery of Body Bags	Amount not Pre-determined	-	-
E1/13-06/2012	Exemption on contract A13-53/2010: Supply and Delivery of fuel cards to MOHSS	Amount not Pre-determined	-	-
E1/13-07/2012	Purchasing of 25 Single Cabs Land Cruiser and 2 x Land Cruisers Station Wagon	15 000 000.00	161 510.00	14 838 490.00
E1/13-08/2012	Procurement of Pharmaceuticals and related supplies	353 804 453.00	294 410 113.85	59 394 339.15
E1/13-09/2012	Printing of official forms	1 300 000.00	1 103 904.28	196 095.72
E1/13-10/2012	Rendering of Security Services – Omaheke and Khomas	5 500 000.00	4 503.69	5 495 496.31
E1/13-11/2012	Increase exemption amount on the construction of pre-fabricated houses	14 000 000.00	-	14 000 000.00
E1/13-12/2012	Procurement of Linen materials for nurses uniforms and shoes	7 730 236.71	117 815.76	7 612 420.95
E1/13-13/2012	TIPEEG Projects-Alterations of Omuthiya District Hospital	22 127 987.00	5 079 383.95	17 048 603.05
E1/13-14/2012	Procurement of backup digitizers for CR system	800 000.00	1 097 583.30	(297 583.30)
E1/13-15/2012	Installation of local Area Network to Various hospitals	7 000 000.00	-	7 000 000.00
E1/13-16/2012	Procurement of wheelchair spare parts and accessories for Windhoek central hospital clinical engineering	100 000.00	-	100 000.00
E1/13-17/2012	Procurement of 8 x Mobile X-Ray machine	2 400 000.00	-	2 400 000.00
E1/13-18/2012	Exemption on contract A13 – 14/2013: Supply and Delivery of Highly concentrated cleaning chemicals to MOHSS	300 000.00	-	300 000.00
E1/13-19/2012	Procurement of one source for the cobalt 60 machine	3 000 000.00	-	3 000 000.00
	Total	1 430 160 676.71	1 413 029 428.70	36 131 248.01

* This exempted amount comprises of the following:

Category	Approved value
	N\$
Subsistence and traveling expenses	6 340 000
Material and supplies	319 225 000
Transport	32 718 000
Utilities	158 279 000
Maintenance expenses	11 036 000
Other services and expenses	169 075 000
Membership fees & subscriptions	5 180 000
Government organizations and claims against the State	6 000 000
Current transfers to individuals and non profit organizations	293 595 000
Furniture and office equipment	150 000
Vehicles	4 500 000
Minor Capital Works	10 000 000
Total	1 016 098 000

8.12 Trade account: Central Medical Store

Profit and loss statement for the year ended 31 March 2013

	2012/2013
	N\$
Sales	449 386 734.33
Less: Cost of sales	485 885 042.41
Opening stock	185 451 121.03
Purchases	499 021 104.38
Less: Closing stock	(198 587 183.00)
Gross income	(36 498 308.08)
Less: Expenditure	5 950 347.87
Expired	68 323.72
Damaged	5 882 024.15
Net Loss for 2012/2013	(42 448 655.95)

WINDHOEK, 2013-12-13

MR. A NDISHISHI
ACCOUNTING OFFICER