



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF HIGHER EDUCATION,
TRAINING AND INNOVATION**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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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 Higher Education, Technology and Innovation for the financial year ended 31 March 2022 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 2023

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
Virement:	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Underexpenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Commitments:	Funds reserved to acquire goods or services from a supplier.
Suspense accounts:	Is an account opened in the books of Government that records movement of transactions of a temporarily nature, for example salary deductions of housing instalments.
S&T Advance Suspense Account:	A suspense account reflecting the outstanding subsistence and travel advances.
Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe the money to the State.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time specified
Subsistence Advance:	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.
Performance Information:	Measurement of an individual, group, organization, system or component which is collected, analysed and reported. (Includes Strategic plans, annual plans, performance agreements and personal development plans). performance agreements and personal development plans)
Key performance indicator (KPI):	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.

International Standards of Supreme Audit Institutions (ISSAI):	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
Types of Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p>Disclaimer Opinion. Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.</p> <p>Adverse Opinion. The Financial statements of an O/M/A's do not fairly present its actual financial position and the required information was either not disclosed, or (if disclosed) was inadequately disclosed or was inaccurate.</p>
Reasonable Assurance:	It is when the audit conclusion is expressed positively, conveying that, in the auditor's opinion, the subject matter is or is not compliant in all material respects or, where relevant, that the subject matter information provides a true and fair view, in accordance with the applicable criteria.
Limited Assurance:	It is when the audit conclusion states that, based on the procedures performed; nothing has come to the auditor's attention to cause the auditor to believe that the subject matter is not in compliance with the criteria.
Direct reporting engagement:	It is when an auditor measures or evaluates the subject matter against the criteria. The auditor is responsible for producing the subject matter information. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. By measuring the subject matter evidence against the criteria, the auditor is able to form a conclusion.
Attestation engagement:	It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which you, the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.
Subject matter:	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
OMA:	Office/Ministry/Agency

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
MINISTRY OF HIGHER EDUCATION, TECHNOLOGY AND INNOVATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

1. SECTION A: FINANCIAL AUDIT

1.1 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Ministry of Higher Education, Technology and Innovation for the financial year ended 31 March 2022 provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue and general information for the year then ended 31 March 2022, and notes to the financial statements.

In my opinion, the financial statements of the Ministry of Higher Education, Technology and Innovation for the financial year ended 31 March 2022 are prepared, in all material respects, in accordance with the State Finance Act, 1991, (Act 31 of 1991).

1.2 BASIS FOR UNQUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for International Organization of Supreme Audit Institutions (INTOSAI) together with the ethical requirements that are relevant to my audit of the financial statements in Namibia and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 KEY AUDIT MATTERS

Key audit matters are those that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. I have no key audit matters to report on.

1.4 EMPHASIS OF MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, as disclosed by the Ministry of Higher Education, Technology and Innovation in the financial statements. My opinion is not modified in respect of these matters:

1.4.1 Outstanding subsistence advances

The Debit balance list reflects an amount of N\$ 83 860.00 whereas the S&T suspense account reflects a closing balance of N\$ 321 294.43 as at 31 March 2022, resulting in an unexplained variance of N\$ 237 434.43.

It is recommended that the Accounting Officer should ensure that reconciliations are conducted on a regular basis to avoid unexplained differences.

Management comment

The Accounting Officer indicated that the Ministry took note of the finding. The Ministry will do a thorough reconciliation to correct the balances and communicate with Treasury to correct those balances by way of passing journals.

1.4.2 Bursaries and study assistance

The Accounting Officer reported that the Ministry provided study assistance for five (5) employees amounting to N\$ 35 211.00, however no contracts or agreements were provided for audit purposes.

It is recommended that the Accounting Officer should ensure that contracts or agreements are entered into between the Ministry and staff members and are provided for audit purposes.

1.4.3 Vehicles

The Accounting Officer reported that the Ministry has fifteen (15) vehicles as at 31 March 2022. However, the Accounting Officer did not report on the total value of these vehicles.

It is recommended that the Accounting Officer should ensure that the correct value on vehicles on hand is kept and provided for audit purposes.

1.4.4 Suspense accounts

a) Bills payable

The Bills Payable suspense account reflects a debit balance of N\$ 22 633.49 on 31 March 2022 whereas this account should have a credit balance.

The Accounting Officer should conduct regular reconciliations to ensure the Bills payable suspense account reflects a credit balance.

Management comment

The Accounting Officer took note of the finding and will do reconciliation to find where balances are coming from and communicate with Treasury to correct the balances by way of passing journals.

b) Receipt suspense

The Receipt Suspense account reflects a credit balance of N\$ 598 380.12, which means that all the revenue received and deposited was not allocated and disclosed in the revenue ledger under the respective revenue heads, hence revenue is understated in the financial statements.

The Accounting Officer should ensure that revenue received is allocated to the respective revenue heads.

Management comment

The Accounting Officer took note of the finding and will do reconciliation to find where balances are coming from and communicate with Treasury to correct the balances by way of passing Journals

1.5 OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the financial statements. There was no other information in connection with my audit of the financial statements for the year under review.

2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

2.1 COMPLIANCE WITH LAWS AND REGULATIONS

SUBJECT MATTER: FINANCIAL PERFORMANCE AND THE USE OF APPROPRIATED FUNDS

I have audited the financial performance and the use of appropriated funds of the Ministry of Higher Education, Technology, and Innovation for the financial year ended 31 March 2022.

2.2 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

The audit aimed to determine whether the Ministry of Higher Education, Technology and Innovation used the appropriated funds in compliance with the Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act 4 of 2021), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015); Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2022.

2.3 AUDIT OBJECTIVE

The objective of this compliance audit is to verify and assess whether the Ministry of Higher Education, Technology and Innovation has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs. This audit is an attestation engagement where the Ministry presented the subject matter information on which the auditor then gathered sufficient and appropriate audit evidence to provide reasonable assurance in forming an opinion. In forming an opinion, the findings and recommendations are taken into consideration.

In addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

2.4 AUDIT CRITERIA

The audit criteria of this compliance audit are derived from the following laws and regulations stated below:

- Appropriation Act, 2021 (Act 1 of 2021);
- Appropriation Amendment Act, 2021 (Act 4 of 2021);
- State Finance Act, 1991 (Act 31 of 1991);
- Public Procurement Act, 2015 (Act 15 of 2015);
- Treasury Instructions; and
- Public Procurement Regulations.

2.5 SUMMARY OF METHODS APPLIED

I have audited the financial statements for the financial year ended 31 March 2022 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 BASIS FOR QUALIFIED AUDIT OPINION ON THE SUBJECT MATTER

2.6.1 Unauthorized expenditure

The following unauthorised expenditure occurred during the financial year and is hereby reported as such in terms of Section 27 (6) (a) of the State Finance Act, 1991(Act 31 of 1991).

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, three (3) sub-divisions were exceeded with a total amount of N\$ 38 832.00 which is unauthorised in terms of Section 6 (a) (iii) of the Act.

It is therefore 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.

Management comment

The Accounting Officer took note of the finding and will ensure close monitoring and review the financial position of the Ministry.

2.6.2 Stocktaking

Treasury Instruction KA 0901 stipulates that *“stores, equipment and livestock shall be subject to stocktaking at least once each financial year and the Accounting Officer shall submit the report thereon to Treasury for approval as soon as possible after the stocktaking, but in any case within 30 days after the end of the financial year concerned.”* No stocktaking was conducted for the year under review.

It is recommended that the Accounting Officer should ensure that stocktaking is conducted at its stock control points, stores and depots.

Management comment

No comment was provided by the Accounting Officer.

2.6.3 Non submission of annual statements

The Accounting Officer did not submit statements on lossess or damages.

It is recommended that the Accounting Officer should ensure that these statements are submitted for audit purposes.

Management comment

No comment was provided by the Accounting Officer.

2.7 QUALIFIED AUDIT OPINION ON THE SUBJECT METHODS

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the Ministry of Higher Education, Technology and Innovation's financial performance and the use of appropriated funds is in compliance, in all material respects, with the State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Appropriation Act, 2021 (Act 1 of 2021), Appropriation Amendment Act, 2021 (Act 4 of 2021), Treasury Instructions, and Public Procurement Regulations.

3. AUDIT OF PERFORMANCE INFORMATION

I conducted an audit on the performance information of the Ministry of Higher Education, Technology, and Innovation for the financial year ended 31 March 2022.

3.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

A Performance Management System (PMS) is a systematic process for achievement and improvement in obtaining results from an organization and its staff members by managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable Offices, Ministries and Agencies (OMAs) to achieve success in National Development Plans (NDP) and provide improvements in service delivery to the public.

The scoping of the key performance indicators was performed, by looking at the high-level statements, which are indicated in the Mandate of Ministry of Higher Education, Technology and Innovation and the 2017-2022 Strategic Plan. Key performance indicators were selected based on what would be significant to the intended users and their usefulness in assessing the entity's achievements in terms of its service performance objectives. The following three (3) key performance indicators were selected from the 2021/2022 annual plan:

Strategic objective	Project	KPI
Improve access to and quality of vocational education and training	New infrastructure	% Completion of the construction of new* TVET facilities
Improve access to and quality of vocational education and training	Expansion of infrastructure	% Completion of expansion of existing TVET facilities
Improve access to and quality of vocational education and training	Increase Trainee Enrolment	% of TVET trainees completion rate

*Technical and Vocational Education and Training (TVET)

3.2 AUDIT OBJECTIVE

The objective of the Key Performance Indicator (KPI) audit is to provide assurance on whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the (OMAs) to inform the Parliament, the public and other stakeholders on its strategic priorities, programs and projects.

Additional objective of this audit is also to provide reasonable assurance to Parliament, members of the general public and other relevant stakeholders whether the reported actual performance has actually occurred and are based on the selected criteria.

3.3 AUDIT CRITERIA

In this audit the performance information against the following selected criteria was tested:

- Compliance with legislative requirements,
- Usefulness;
- Reliability;
- Existence;
- Timeliness;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- Validity;
- Accuracy; and
- Completeness.

3.4 SUMMARY OF METHODS APPLIED

The auditors reviewed the annual plan and the Ministry's quarterly reviews to confirm whether the Strategic Plan objectives, targets, and key performance indicators (KPIs) have been correctly cascaded to the Annual Plan and the selected key performance indicators (KPIs) for the year under review are reported in the Ministry's quarterly reports and Annual Plan Review Report.

Furthermore, the auditors conducted interviews and reviewed documents to obtain information that pertains to the selected key performance indicators (KPIs).

3.5 KEY AUDIT FINDINGS

The audit found that:

- (i) The target Key Performance Indicator (KPI) on the % completion of the construction of new TVET facilities was not achieved since there were some delays on the constructions.
- (ii) The target Key Performance Indicator (KPI) on the % completion of expansion of existing TVET facilities was not achieved, as the expansion of the Okakarara VTC was rescheduled several times and no evidence was provided to substantiate that the TVET facilities expanded were really completed
- (iii) The target Key Performance Indicator (KPI) on the TVET trainee's completion rate was not achieved. The reported actuals are not factual since sufficient and appropriate evidence was not provided to substantiate the reported information/figures per quarter.

3.6 CONCLUSION ON THE SUBJECT MATTER

The outcome of the audit is unsatisfactory, as the Ministry has not fully implemented all planned activities as per the annual plan to ensure service delivery as enshrined in the mandate of the Ministry.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in compliance with Section 12 and 13 of the State Finance Act, 1991 (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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned, and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

The management is also responsible for ensuring adherence to the State Finance Act, 1991 (Act 31 of 1991), Procurement Act, 2015 (Act 15 of 2015), Appropriation Act, 2021 (Act 1 of 2021), the Appropriation Amendment Act, 2021 (Act 4 of 2021), Public Procurement Regulations and Treasury Instructions and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information. Those charged with governance are responsible for overseeing the entity's financial reporting process.

5. AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted comply with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

My powers and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under Section 25 (1) (c), Section 26 (1), and Section 27 (3) of the State Finance Act, 1991 (Act 31 of 1991).

As part of audit compliance with the International Standards for Supreme Audit Institutions, I exercise professional skepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- Provides those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds are, in all material respect comply with the Appropriation Act 2021, (Act 1 of 2021), the Appropriation Amendment Act, 2021 (Act 4 of 2021), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Treasury Instructions and Public Procurement regulations. I have conducted the audit in compliance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the audited entity complies with the authorities that govern the audited entity in the execution of its roles and responsibilities.

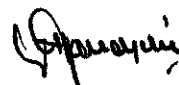
6. GENERAL INFORMATION

The financial statements notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A. The appropriation was submitted timeously by the Accounting Officer to the Auditor-General on 31 October 2022 in terms of Section 13 of the State Finance Act, 1991(Act 31 of 1991).

7. ACKNOWLEDGEMENT

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

WINDHOEK, MARCH 2023



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

Service	2021/2022				2020/2021	
	Authorised expenditure	Actual expenditure	Variations		Actual expenditure	
			Under- expenditure/ (Excess)	Percent- age		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Minister:						
Original budget	1 838 000					
Plus: Virement	261 803	2 099 803	2 076 449.01	23 353.99	1.11	1 512 677.29
02. General Services:						
Original budget	25 269 000					
Less: Virement	(95 306)	25 173 694	22 576 210.43	2 597 483.57	10.32	22 700 970.09
03. Higher Education:						
Original budget	2 642 024 000					
Additional budget	166 000 000					
Plus: Virement	882 800	2 808 906 800	2 808 611 868.22	294 931.78	0.01	2 711 903 641.25
04. Vocational and Technical Training:						
Original budget	421 226 000					
Less: Virement	(1 292 000)					
Less: Suspension	(200 000)	419 734 000	419 550 219.73	183 780.27	0.04	436 202 495.65
05. Science and Technology:						
Original budget	37 712 000					
Plus: Virement	136 033	37 848 033	37 570 138.69	277 894.31	0.73	39 165 112.83
06. Namibia Student Financial Assistance Fund (NSFAF):						
Original budget	13 731 000					
Plus: Virement	106 670	13 837 670	13 272 535.92	565 134.08	4.08	10 584 723.03
08. Namibia Qualification Authority (NQA):						
Original budget	5 500 000	5 500 000	5 500 000.00	-	-	-
Total	3 313 100 000	3 309 157 422.00	3 309 157 422.00	3 942 578.00	0.12	3 222 069 620.14

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2021/2022			2020/2021
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	36 007 900	34 946 450.40	1 061 449.60	34 022 545.88
002. Employer's contribution to the G.I.P.F and M.P.O.O.B.P.F.	4 222 000	4 087 116.65	134 883.35	3 290 289.60
003. Other conditions of service	11 433 927	10 485 175.71	948 751.29	8 646 230.11
005. Employers contribution to the social security	105 840	99 986.35	5 853.65	100 500.85
Total	51 769 667	49 618 729.11	2 150 937.89	46 059 566.44
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	1 300 275	986 840.99	313 434.01	616 835.40
022. Materials and supplies	682 168	569 941.61	112 226.39	340 599.63
023. Transport	1 830 000	1 572 444.26	257 555.74	3 150 912.71
024. Utilities	2 139 100	1 309 173.44	829 926.56	1 280 442.64
025. Maintenance expenses	76 003	60 878.82	15 124.18	41 668.50
027. Other services and expenses	2 634 831	2 515 745.16	119 085.84	1 466 676.65
Total	8 662 377	7 015 024.28	1 647 352.72	6 897 135.53
Current expenditure: Membership fees and subscriptions				
041. International	1 142 956	998 668.61	144 287.39	932 918.17
Total	1 142 956	998 668.61	144 287.39	932 918.17
Current expenditure: Subsidies, grants and other transfers				
043. Government organizations	3 186 000 000	3 186 000 000.00	-	1 413 885 586.00
044. Individual and non-profit organizations	525 000	525 000.00	-	1 673 894 414.00
Total	3 186 525 000	3 186 525 000.00	-	3 087 780 000.00
Total: Operational expenditure	3 248 100 000	3 244 157 422.00	3 942 578.00	3 141 669 620.14
Development:				
Capital expenditure: Acquisition of assets				
116. Purchase of land and intangible assets	11 500 000	11 500 000.00	-	17 700 000.00
131. Government organizations	53 500 000	53 500 000.00	-	62 700 000.00
Total: Development expenditure	65 000 000	65 000 000.00	-	80 400 000.00
GRAND TOTAL	3 313 100 000	3 309 157 422.00	3 942 578.00	3 222 069 620.14

1.4 Notes to the financial statements

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

Underexpenditure

Main division 02: Administration (N\$ 2 597 483.57 – 10.32%)

The underexpenditure of N\$ 2 597 483.57 representing a variance of 10.32% less than appropriated is attributed to vacant positions (Deputy Director: Security & Risk Management, Secretary as well as Internal Auditor) which could not be filled in the financial year under review and related costs that goes with the appointment of staff members. The underexpenditure was also due to daily subsistence allowances (DSA) whereby staff members travelled at the end of March and beginning of April 2022 which ended up being claimed in the new financial year. The other underexpenditure was due to invoices of transport that could not be paid before the closure of the financial year due to late submission by the Ministry of Works and Transport.

Main division 06: Namibia Student Financial Assistance Fund (N\$ 565 134.08 – 4.08%)

The underexpenditure of N\$ 565 134.08 represents a variance of 4.08% less than appropriated and is attributed to leave gratuity for the staff members who retired and could not be paid before the end of the financial year. The underexpenditure was also due to favourable exchange rates for foreign payments.

2. GENERAL INFORMATION

2.1 Outstanding commitments

The Accounting Officer reported outstanding commitments amounting to N\$ 107 514.21 as at 31 March 2022. The outstanding commitments are for daily subsistence allowance (DSA) advances that were processed in March 2022 and the claims only processed in April 2022.

2.2 Subsistence advances

The Accounting Officer reported outstanding advances amounting to N\$ 83 860.00 as at 31 March 2022.

ANNEXURE A (continued)

2.3 Capital projects

The following are the development projects of the Ministry as reflected in general ledger and the development budget:

Nature of project	Approved total budget	Total expenditure as at 31/03/2021	Approved appropriation 2021/2022	Actual expenditure 2021/2022	Total expenditure as at 31/03/2022	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of a Student Village in Windhoek	100 000 000	25 700 000	11 500 000	11 500 000	37 200 000	31/03/2024
Construction of New Office for the NCHE and ACTET	154 505 000	63 924 000	2 100 000	2 100 000	66 024 000	31/03/2024
Upgrading and Renovation of Old Power Station for NUST Satellite Campus in Luderitz	141 919 000	58 731 873	14 000 000	14 000 000	72 731 873	31/03/2023
Upgrading and Renovation of Keetmanshoop Vocational Training Centre	117 000 000	50 179 000	1 300 000	1 300 000	51 479 000	31/03/2024
Construction of Parking Facilities and Postgraduate Research Center	300 000 000	3 000 000	3 000 000	3 000 000	6 000 000	31/03/2026
Construction of a Consolidated Campus in Kleine Kuppe	142 542 000	2 600 000	2 600 000	2 600 000	5 200 000	31/03/2026
Construction of Lecture Halls Phase 1 at Southern Campus	95 580 000	29 500 000	25 000 000	25 000 000	54 500 000	31/03/2024
Construction of Veterinary Teaching Hospital for Small Animals	-	-	3 500 000	3 500 000	3 500 000	31/03/2024
Construction of School of Medicine Phase 3 at Hage Geingob Campus	-	-	2 000 000	2 000 000	2 000 000	31/03/2023
Total	1 051 546 000	233 634 873	65 000 000	65 000 000	298 634 873	

2.4 Bursaries and study assistance

The Accounting Officer reported that the Ministry provided study assistance to five (5) staff members amounting to N\$ 35 211.00 to pursue studies at institutions of higher learning.

2.5 Fixed property bought

The Accounting Officer reported that the Ministry bought land for the construction of a student village to the value of N\$ 9 729 388.00.

2.6 Vehicles (Government Garage)

The Accounting Officer reported that the Ministry have fifteen (15) pool vehicles comprising of eight (8) sedans and seven (7) pick-ups/combies on hand as at 31 March 2022.

2.7 Suspense accounts

The final ledger shows the following eight (8) suspense account balances of the Ministry as at 31 March 2022 of which three (3) had credit balances and five (5) had debit balances:

Description	Balance as at 31 March 2022 Debit/(Credit)
	N\$
Receipt Suspense Account	(598 380.12)
S&T Advance Suspense Account	321 294.43
Rejection Account	(672 370.91)
Bills Payable	22 633.49
Social Security	162.00
Pension Funds: GIPF	(55 061.84)
First National Bank (Windhoek)	15 690.00
Debt establishment	6 240.78

WINDHOEK, 2022-08-30

DR. ALFRED VAN KENT
ACCOUNTING OFFICER

