



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

MINISTRY OF JUSTICE

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 Justice 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, August 2014

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

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**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE
MINISTRY OF JUSTICE
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2013**

1. INTRODUCTION

This report on the accounts of the Ministry of Justice 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 Justice for the year ended 31 March 2013. These financial statements comprise the Appropriation Account, Standard Subdivisions, Departmental Revenue, Miscellaneous Revenue for the year then ended, and notes to the financial statement and general information submitted.

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.

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 the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

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

- (a) all reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;

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

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

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

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

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

4. AUDIT FINDINGS

I draw attention to the following matters:

4.1 Unauthorised expenditure

The under mentioned 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) One main division was exceeded with an amount of N\$ 1 317 385.23 (2.98%) which is unauthorized in terms of Section 6(a)(ii) of the Act.
- (ii) Although Treasury authorization was obtained to utilize certain expected savings for the defrayal of expenditure by way of virement during the year, one (1) operational subdivision was exceeded by a total amount of N\$ 4 037 744.36. This excess is unauthorised in terms of Section 6(a)(iii) of the Act.

5. ACKNOWLEDGEMENT

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

6. AUDIT OPINION

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

In my opinion, the financial statements fairly represent the receipts and payments of Vote 16 for the year ended 31 March 2013 and in all material respects the receipts and payments have been applied to the purpose intended by the National Assembly and conform to the authorities which govern them.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

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Namibia

ANNEXURE A

7. FINANCIAL STATEMENTS

7.1 Appropriation account

		2012/2013				2011/2012
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
01. Office of the Minister:						
Original budget	1 877 000					
Less: Virement	(3 508)	1 873 492	1 850 969.15	22 522.85	1.20	2 034 336.93
02. Central Administration:						
Original budget	102 678 000					
Less: Virement	(5 165 208)	97 512 792	97 399 140.48	113 651.52	0.12	89 969 767.68
03. Court Services:						
Original budget	104 780 000					
Plus: Virement	1 690 643	106 470 643	106 154 006.50	316 636.50	0.30	93 441 054.83
04. Law Reform:						
Original budget	6 402 000					
Plus: Virement	90 720	6 492 720	6 430 209.55	62 510.45	0.96	5 620 750.16
05. Legislative Drafting:						
Original budget	6 840 000					
Plus: Virement	360 498	7 200 498	7 176 619.84	23 878.16	0.33	6 678 316.74
06. Office of the Ombudsman:						
Original budget	12 019 000					
Plus: Virement	3 858	12 022 858	11 929 579.78	93 278.22	0.78	8 430 072.66
07. Legal Aid:						
Original budget	30 312 000					
Plus: Virement	3 496 227	33 808 227	33 567 435.43	240 791.57	0.71	30 276 367.91

ANNEXURE A (continued)

2012/2013						2011/2012
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent-age	
	N\$	N\$	N\$	N\$	%	N\$
08. Supreme and High Courts:						
Original budget	44 087 000					
Plus: Virement	130 481	44 217 481	45 534 866.23	(1 317 385.23)	(2.98)	55 632 818.47
09. Attorney-General:						
Original budget	9 082 000	9 082 000	8 961 413.38	120 586.62	1.33	9 995 147.30
10. Civil Litigation:						
Original budget	18 317 000					
Plus: virement	1 081 092	19 398 092	19 266 365.44	131 726.56	0.68	18 799 085.77
11. Public Prosecutions:						
Original budget	48 866 000					
Plus: Virement	260 638	49 126 638	48 929 163.79	197 474.21	0.40	48 416 350.29
12. Legal Services:						
Original budget	7 110 000					
Plus: Virement	389 208	7 499 208	7 475 746.21	23 461.79	0.31	6 492 860.00
13. Master of the High Court:						
Original budget	7 085 000					
Less: Virement	(73 016)	7 011 984	6 984 907.72	27 076.28	0.39	6 689 527.51
14. Magistracy						
Original Budget	44 881 000					
Less: Virement	(2 261 633)	42 619 367	42 375 782.11	243 584.89	0.57	32 395 495.21
TOTAL:		444 336 000	444 036 205.61	299 794.39	0.07	414 871 951.46

ANNEXURE A (continued)

7.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	211 257 300	215 295 044.36	(4 037 744.36)	204 312 839.95
002. Employer's contribution to GIPF and MPOOBPF	24 327 000	24 087 736.56	239 263.44	16 415 702.49
003. Other conditions of service	2 901 712	2 820 967.39	80 744.61	1 997 694.10
Total	238 486 012	242 203 748.31	(3 717 736.31)	222 726 236.54
Current expenditure: Goods and other services				
021. Travel and subsistence allowance	20 846 947	19 427 803.90	1 419 143.10	20 031 404.60
022. Materials and supplies	7 729 765	7 635 487.45	94 277.55	7 404 606.66
023. Transport	17 727 070	17 727 070.00	-	13 462 788.90
024. Utilities	31 002 708	30 968 810.50	33 897.50	26 087 244.19
025. Maintenance Expenses	3 309 197	3 303 106.96	6 090.04	3 895 579.12
026. Property rental and related charges	1 200 000	1 195 919.47	4 080.53	1 200 000.00
027. Other services and expenses	69 503 760	67 591 538.51	1 912 221.49	78 347 527.89
Total	151 319 447	147 849 736.79	3 469 710.21	150 429 151.36
Current expenditure: Membership fees and subscriptions				
041. International	315 142	313 736.81	1 405.19	232 393.70
042. Domestic	141 656	141 655.02	0.98	129 653.91
Total	456 798	455 391.83	1 406.17	362 047.61
Total: Current expenditure	390 262 257	390 508 876.93	(246 619.93)	373 517 435.51
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	4 566 743	4 566 742.29	0.71	5 894 326.69
Total: Capital expenditure	4 566 743	4 566 742.29	0.71	5 894 326.69
Total: Operational expenditure	394 829 000	395 075 619.22	(246 619.22)	379 411 762.20
Development:				
Capital expenditure: Acquisition of assets				
105. Feasibility studies, design and supervision	12 100 000	12 090 449.33	9 550.67	12 766 061.94
107. Construction, renovation and improvement	37 407 000	36 870 137.06	536 862.94	22 694 127.32
Total: Development expenditure	49 507 000	48 960 586.39	546 413.61	35 460 189.26
GRAND TOTAL	444 336 000	444 036 205.61	299 794.39	414 871 951.46

7.3 Revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2012/2013	More/(Less) than estimated	Actual revenue 2011/2012
	N\$	N\$	N\$	N\$
Private Telephone Calls	12 000	2 662.29	(9 337.71)	6 467.06
Miscellaneous	575 000	(39 107.65)	(614 107.65)	219 835.60
Legal fees	110 000	112 459.79	2 459.79	82 118.53
Bail	3 000 000	2 289 325.00	(710 675.00)	2 464 939.40
Government Gazette	280 000	541 896.52	261 896.52	307 848.20
Photocopies	85 000	90 235.40	5 235.40	81 626.70
Unclaimed Money	100 000	827 282.46	727 282.46	66 180.99
TOTAL	4 162 000	3 824 753.81	(337 246.19)	3 229 016.48

7.4 NOTES TO THE FINANCIAL STATEMENTS

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

(i) Over-expenditure

Main division 08 – Supreme and High Court (N\$ 1 317 385.23 – 2.98%)

The shortfall was caused by a shortage of funds to cater for the annual salary adjustment with effect from 1st April 2011 in respect of staffing needs such as remuneration and employer's contributions to Social Security as well as appointments of temporary Judges. Unfortunately, the allocated provision for staffing was inadequate and since the Ministry has an obligation to consistently pay salaries to serving staff members, such overspending was unavoidable.

Departmental Revenue: Explanation of variations exceeding N\$ 100 000

(i) Overestimated

Miscellaneous

Revenue was collected from ministerial debts such as overpayments on remuneration or conditions of service of any nature (i.e. salaries, bonuses, allowances, unpaid leave etc.) as well as exhibits forfeited to the State in criminal matters.

Bail

Revenue on bail is collected from bail forfeited to the State in the event that accused persons fail to comply with their bail conditions. Unclaimed bail that appeared on the bail register of the respective Magistrates Offices for periods in excess of twelve months was paid over to the Ministerial Revenue Account. This item is rather unpredictable and can therefore never be estimated with certainty.

(ii) Underestimated

Government Gazette

Revenue is generated from sales of the Gazette to the general public and fees charged for the placement of advertisements, trademark and general notices in the Gazette. There has been a remarkable increase in the placement of such adverts, trademarks and general notices during the reporting year.

Unclaimed Monies

Unclaimed Monies older than twelve (12) months on the General Register of the Magistrates Deposit Suspense Account at several Magistrates Offices which were updated and cleared during the reporting year, in view of the implementation of the Namibian Courts Information System (NAMCIS) and deposited in the Ministerial Revenue Account. This exercise will continue until the rollout of NAMCIS is completed.

8. GENERAL INFORMATION

8.1 Capital Projects

The following were development projects of the Ministry:

Nature of Project	Approved Total Budget	Approved Appropriation 2012/2013	Total expenditure at 31/03/2012	Actual expenditure 2012/2013	Total expenditure at 31/03/2013	Expected year of completion
Justitia Building Renovation and upgrading	200 644 000	3 000 000	14 027 166.92	2 991 258.37	17 018 425.29	31/03/2015
Lower Courts Renovation	15 489 000	837 000	20 122 279.32	834 576.17	20 956 855.49	31/03/2014
Lower Courts Upgrading and construction	219 670 000	38 870 000	129 408 671.16	38 357 188.64	167 765 859.80	31/03/2014
Ombudsman Offices Construction	5 669 000	4 300 000	1 363 391.28	4 294 952.84	5 658 344.12	31/03/2013
Supreme Court Renovation	14 861 000	500 000	16 910 434.89	483 434.31	17 393 869.20	31/03/2012
Construction of Houses	5 400 000	2 000 000	5 376 880.68	1 999 176.06	7 376 056.74	31/03/2014
	461 733 000	49 507 000	187 208 824.25	48 960 586.39	236 169 410.64	

8.2 Suspense Account

The final ledger shows nine (9) suspense account balances at 31 March 2013 of which seven (7) had debit balances and two (2) had credit balances. The following accounts were in excess of N\$ 100 000:

Suspense Account	Debit / (Credit)
	N\$
R/D Cheques	1 468 848.68
Magistrate Offices	41 285 026.93
Bills Payable	(7 426 951.03)
Magistrate Deposit Account	(87 344 717.39)

8.3 Subsistence Advances

The Accounting Officer reported an outstanding subsistence advances of N\$ 33 016 at the end of the financial year.

8.4 Air Craft

The Ministry hired a Government aircraft to the total cost of N\$ 318 933.60.

8.5 Study Assistance

Thirty six (36) staff members received study assistance to a total amount of N\$ 206 721.25 for the financial year under review.

8.6 Donor Funded projects

During the financial year under review, the Accounting Officer reported that the Office of the Ombudsman received a donation from Australian Aid (AusAid) amounting to N\$ 454 745.11.

8.7 Tender Board exemption

Tender exemption (E1/12 - 1/2012) amounting to N\$ 93 130 000 was granted for the following goods and services for the period under review:

Service	Exempted Amount	Actual expenditure	Difference
	N\$	N\$	N\$
Travel and Subsistence Expenses	17 650 000	19 664 635.00	2 014 635.00
Material and supplies	6 638 000	5 672 220.21	965 779.79
Transport	2 120 000	943 147.70	1 176 852.30
Utilities	2 165 000	2 004 131.95	160 868.05
Maintenance Expenses	4 277 000	3 265 449.21	1 011 550.79
Property rental & related charges	1 200 000	1 195 919.47	4 080.53
Other services & expenses	59 080 000	35 027 399.82	24 052 600.18
Total	93 130 000	67 772 903.36	25 357 096.64

The Accounting Officer reported Tender board exemption (E1/12 - 1/2012) amounting to N\$ 95 130 000 was granted for goods and services for the period under review, whereas the audit found the approved amount as N\$ 93 130 000.

WINDHOEK, 2013-12-05

MR I. V. K. NDJOZE
ACCOUNTING OFFICER