



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

# **ELECTORAL COMMISSION**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

Published by authority

Price (Vat excluded) N\$ 23.04  
Report: 68/2014

**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 Electoral Commission 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**

## Table of Contents

1.	INTRODUCTION	1
2.	MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS	1
3.	AUDITOR’S RESPONSIBILITY	1
4.	AUDIT FINDINGS	2
4.1	Underexpenditure	2
4.2	Unauthorised Expenditure	2
5.	OTHER MATTERS	2
5.1	Appointment of Temporary Staff	2
7.	UNQUALIFIED AUDIT OPINION	3
8.	FINANCIAL STATEMENTS AND GENERAL INFORMATION	4
8.1	Appropriation account	4
8.2	Standard subdivisions	5
8.3	Departmental Revenue	6
8.4	NOTES TO THE FINANCIAL STATEMENTS	6
8.4.1	Appropriation account: Explanation of variations exceeding 2% between the authorized	6
9.	GENERAL INFORMATION	7
9.1	Tender Board Exemption	7
9.2	Bank accounts	7
9.3	Points keeping stock	7
9.4	Commissions and Committees	8
9.5	Suspense Accounts	8
9.6	Bursary and study assistance	8
9.7	Fixed Property Bought	8
9.8	Motor vehicle accidents	8
9.9	HIV/AIDS	8
9.10	Suspension	8

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

---

**1. INTRODUCTION**

This report on the accounts of the Electoral Commission of Namibia 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 Electoral Commission of Namibia 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 Sections 12 and 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**

I draw attention to the management on the following matter(s):

##### **4.1 Underexpenditure**

The total budget of the Ministry was underspend with an amount of N\$ N\$ 35 148 483.18 (21.41%).

It is recommended that the Accounting Officer should put measures in place to avoid underexpenditure and ensures that planned projects are implemented.

##### **4.2 Unauthorised Expenditure**

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of excess expenditure through virements during the year, one (1) subdivision was exceeded by an amount totalling N\$ 9 568.86 which is unauthorised in terms of Section 6(a)(iii) of the State Finance Act.

It is recommended that the Accounting Officer should implement budgetary control measures to avoid unauthorised expenditure.

#### **5. OTHER MATTERS**

##### **5.1 Appointment of Temporary Staff**

The appointment of election officials is the responsibility of the Director of Elections or delegate. However, the process of recruiting/appointing was not done in a fair, consistent, transparent manner and contrary to the procedures and guidelines as stipulated in the Recruitment and Selection Policy.

Although the recruitment policy stipulates that recruitment should be done by advertising the posts and Human Resource Practitioners should facilitate the process, staff from Human Resource Practitioners are not consulted when the need to appoint temporary staff arises.

Not all temporary positions were advertised and as a result no interviews are conducted for those posts. Appointments and promotions for some posts were done without following the recruitment process stipulated in the recruitment and selection policy, a practice that resulted in Electoral Commission of Namibia staff nominating and appointing their close relatives.

The ECN has over forty (40) temporary staff members at Head Office. Some have been employed as far back as 2003 with contracts being renewed annually. Some casual workers were appointed without meeting the job requirements as set by the ECN policy and without going through the recruitment process.

It is recommended that the Accounting Officer should explain on the appointment of the temporary staff members.

### **Management Comments**

In his response the Accounting Officer indicated that the ECN took note of the recommendation with regard to the appointment of temporary staff. The matter was extensively investigated and it was found that appointments were done in accordance to Section 11(13) of the Electoral Act to appoint staff members. The Accounting Officer further explains that the Director of elections acted within his powers, which may have been an oversight on the part of the Human Resource functions.

The appointments and the extension of the respective staff were done within this provision, thus the ECN's interpretation and action was within the context of the relevant section of the Electoral Act. As a result the contracts of some staff were extended instead of following recruitment procedures. This resulted in Human Resources practitioners not consulted accordingly.

The ECN hereby commit to follow the proper procedures as this was a major oversight on the part of the Agency.

### **6. ACKNOWLEDGEMENT**

The assistance and co-operation of the management and staff of the Electoral Commission during the audit is appreciated.

### **7. UNQUALIFIED AUDIT OPINION**

I certify that I have audited the financial statements of the Electoral Commission 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 present fairly the receipts and payments of Vote 28 as at 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**

**OFFICE OF THE AUDITOR-GENERAL**  
**123 Robert Mugabe**  
**Private Bag 13299**  
**WINDHOEK**  
**NAMIBIA**

## ANNEXURE A

## 8. FINANCIAL STATEMENTS AND GENERAL INFORMATION

## 8.1 Appropriation account

2012/13						2011/12
Service	N\$	Authorised expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
<b>01. Administration:</b>						
Original budget	54 538 000					
Less: Virement	(3 417 800)					
Less: Suspension	(9 893 000)	41 227 200	29 417 430.12	11 809 769.88	28.65	22 186 427.57
<b>02. Electoral Operations:</b>						
Original budget	100 377 000					
Plus: Virement	13 367 800					
Less: Suspension	(17 698 000)	96 046 800	82 417 333.13	13 629 466.87	14.19	77 709 061.34
<b>03. Voter Education:</b>						
Original budget	44 498 000					
Less: Virement	(9 950 000)					
Less: Suspension	(7 639 000)	26 909 000	17 199 753.57	9 709 246.43	36.08	-
<b>Total</b>		<b>164 183 000</b>	<b>129 034 516.82</b>	<b>35 148 483.18</b>	<b>21.41</b>	<b>99 895 488.91</b>

## ANNEXURE A (continued)

## 8.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	13 711 000	11 009 463.14	2 701 536.86	9 660 597.71
002. Employer's contribution to the G.I.P.F	1 020 000	955 699.77	64 300.23	864 615.31
003. Other conditions of service	110 000	-	110 000.00	-
<b>Total</b>	<b>14 841 000</b>	<b>11 965 162.91</b>	<b>2 875 837.09</b>	<b>10 525 213.02</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	4 354 000	2 545 887.28	1 808 112.72	1 689 367.75
022. Materials and supplies	5 709 200	2 511 820.46	3 197 379.54	5 065 986.08
023. Transport	17 532 000	10 963 192.28	6 568 807.72	6 592 033.95
024. Utilities	4 709 000	3 906 768.48	802 231.52	3 770 733.61
025. Maintenance	1 335 000	309 947.77	1 025 052.23	731 166.25
026. Property rental and related charges	2 020 000	1 432 170.94	587 829.06	787 791.17
027. Other services and expenses	38 377 000	24 059 952.79	14 317 047.21	18 136 972.89
<b>Total</b>	<b>74 036 200</b>	<b>45 729 740.00</b>	<b>28 306 460.00</b>	<b>36 774 051.70</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	350 000	196 289.40	153 710.60	214 388.00
<b>Total</b>	<b>350 000</b>	<b>196 289.40</b>	<b>153 710.60</b>	<b>214 388.00</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	2 419 000	359 449.50	2 059 550.50	565 891.62
102. Vehicles	36 121 800	35 670 491.50	451 308.50	2 769 925.17
103. Operational equipment, machinery and plant	35 915 000	34 660 608.96	1 254 391.04	46 092 938.00
<b>Total: Capital expenditure</b>	<b>74 455 800</b>	<b>70 690 549.96</b>	<b>3 765 250.04</b>	<b>49 428 754.78</b>
<b>Total: Operational expenditure</b>	<b>163 683 000</b>	<b>128 581 742.27</b>	<b>35 101 257.73</b>	<b>96 942 407.50</b>
<b>Development</b>				
<b>Capital expenditure: Acquisition of assets</b>				
106. Purchase of land and intangible assets	500 000	452 774.55	47 225.45	-
107. Construction, renovation & improvements	-	-	-	2 953 081.40
<b>Total: Development expenditure</b>	<b>500 000</b>	<b>452 774.55</b>	<b>47 225.45</b>	<b>2 953 081.40</b>
<b>GRAND TOTAL</b>	<b>164 183 000</b>	<b>129 034 516.82</b>	<b>35 148 483.18</b>	<b>99 895 488.91</b>



### 8.3 Departmental Revenue

Revenue for the year is as follows:

Revenue heading	2012/2013			2011/2012
	Estimate	Actual revenue	More/(Less) than estimated	Actual revenue
	N\$	N\$	N\$	N\$
Deposits made by Political Parties	1000	10 300	9 300	500.00
Miscellaneous	1000	1 397	397	366 201.07
<b>Total</b>	<b>2000</b>	<b>11 697</b>	<b>9 697</b>	<b>366 701.07</b>

### 8.4 NOTES TO THE FINANCIAL STATEMENTS

#### 8.4.1 Appropriation account: Explanation of variations exceeding 2% between the authorized and actual expenditure

##### Underexpenditure:

##### Main division 01 - Administration (N\$ 11 809 769.88 - 28.65%)

The underexpenditure was due to the following:

The Electoral Commission of Namibia made budgetary provision to settle the accounts of fixed tariffs and fuel invoices from the Government Garage. Funds could however not be utilised due to some invoices that were received after the closing of the financial year.

The funds that were earmarked for consultancy services relating to law reform could not be fully utilised because the expenditure was shared between Electoral Commission of Namibia and the Law Reform Development Commission.

Budgetary provision to acquire computer software upgrades and maintenance of the Virtual Private Network security system were suspended due to the postponement of the General Registration of Voters.

##### Main division 02 – Electoral Operations (N\$ 13 629 466.87 - 14.19%)

The main division under spend due to the following planned activities that did not take place:

Budgetary provision was made to cover the anticipated expenses during the General Registration of Voters (GRV). The GRV process could however not be carried out during the year due to delays in finalizing the delimitation of boundaries.

Funds earmarked for the hiring of vehicles, boats, helicopters as well as remuneration of registration officials could not be utilised due to the postponement of the GRV process.

The Sibinda and Tsumkwe Regional Council Elections conducted during the year under review were anticipated to have legal costs; however, that money could not be utilized as there were no legal challenges.

## Main division 03 – Voter Education (N\$ 9 709 246.43 - 36.08%)

The underexpenditure was attributed to the following factors:

Intensive voter education campaigns on the GRV process was supposed to be carried out during the preparation stage of the GRV process. Budgetary provision was made for activities such as printing, publication and production of voter education material. These items could not be acquired due to the postponement of GRV.

The domestic trips that were planned to be undertaken when conducting, monitoring and evaluating of voter education sessions countrywide were held at minimal due to the delay in the proclamation of the GRV date.

In addition, the Electoral Commission approached Treasury for budget suspension during the year under review as the funds that remained in the budget could not be optimally utilized due to technical problems beyond the control of the ECN.

## 9. GENERAL INFORMATION

### 9.1 Tender Board Exemption

The Tender Board approved deviations from normal Tender Board procedures for acquiring goods and services valued at N\$ 77 805 000 comprising of the following:

<b>Exemption</b>	<b>Description</b>	<b>Approved Amount</b>	<b>Actual expenditure</b>	<b>Variance</b>
		N\$	N\$	N\$
E1/8-1/2012	Travel and subsistence expenses	4 357 000	748 612.07	3 608 387.93
	Materials and supplies	8 385 000	1 358 162.50	7 026 837.50
	Transport	15 000 000	10 994 880.38	4 005 119.62
	Utilities	5 216 000	2 455 991.92	2 760 008.08
	Maintenance	2 735 000	263 595.00	2 471 405.00
	Property rentals	6 644 000	1 039 454.56	5 604 545.44
	Other services	35 128 000	4 563 079.86	30 564 920.14
	Subscriptions and membership fees	340 000	192 132.00	147 868.00
<b>Total</b>		<b>77 805 000</b>	<b>21 615 908.29</b>	<b>56 189 091.71</b>

### 9.2 Bank accounts

One (1) bank account was operated by the Commission which had the following closing balances as at 31 March 2013:

<b>Name of account</b>	<b>Name of Bank</b>	<b>Balance as at 31 March 2013</b>
Electoral Commission of Namibia-EMVR	Nedbank	N\$ 14 049 169.02

### 9.3 Points keeping stock

The Accounting Officer reported that stocktaking was conducted at two (2) inspection points during the financial year. Worn, damaged, obsolete and redundant items valued at N\$ 258 325 were found during the stocktaking.

#### **9.4 Commissions and Committees**

Expenditure amounting to N\$ 474 432.12 was incurred by the Electoral Commission Board members in respect of Daily Subsistence Allowances, honorarium and sitting fees during the financial year under review.

#### **9.5 Suspense Accounts**

The main ledger shows balances on two (2) of the Ministry's suspense accounts as at 31 March 2013, of which one (1) with a credit balance and one (1) with a debit balance. The following are amounts reflected in the General Ledger exceeding N\$ 100 000:

<b>Description</b>	<b>Debit/(Credit)</b>
	N\$
S&T Advance Suspense Account	261 508.57
Bills Payable	(6 347 704.95)

#### **9.6 Bursary and study assistance**

During the financial year under review, the Commission granted financial assistance to ten (10) staff members to a total amount of N\$ 465 070.84.

#### **9.7 Fixed Property Bought**

The Electoral Commission purchased an erf at a purchase price of N\$ 452 774.55 for the construction of a regional office.

#### **9.8 Motor vehicle accidents**

The Accounting Officer reported eleven (11) vehicle accidents during the year under review. Seven (7) vehicles were repaired at a total cost of N\$ 493 827. Two (2) vehicles were written off and two (2) vehicles still had to be repaired by 31 March 2013.

#### **9.9 HIV/AIDS**

Expenditure amounting to N\$ 90 966.72 was incurred by the Electoral Commission in respect of HIV/AIDS and other wellness activities.

#### **9.10 Suspension**

Treasury approved the suspension of an amount totalling N\$ 35 230 000 earmarked for the General Registration of Voters (GRV) to cater for the salary increase.

**WINDHOEK, 2013-12-11**

**P J ISAAK  
ACCOUNTING OFFICER**