



**REPUBLIC OF NAMIBIA**



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

# **ELECTORAL COMMISSION**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

Published by authority

Price (Vat excluded) N\$ 26.00  
Report: 49/2015



**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 2014 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, June 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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ON THE ACCOUNT OF THE  
ELECTORAL COMMISSION OF NAMIBIA  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2015**

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**1. REPORT ON THE FINANCIAL STATEMENTS**

**1.1 INTRODUCTION**

This report on the accounts of the Electoral Commission of Namibia for the financial year ended 31 March 2014 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.

I have audited the accompanying financial statements of the Ministry of Agriculture, Water and Forestry for the financial year ended 31 March 2014. These financial statements following statements submitted for the year then ended:

- Appropriation account;
- Standard subdivisions;
- Departmental revenue;
- Notes to financial statements; and
- General information.

The Appropriation Accounts were submitted timeously by the Accounting Officer to the Auditor-General on 17 October 2014 in terms 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.

**1.2 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 it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**1.3 AUDITOR'S RESPONSIBILITY**

My responsibility is to express an opinion on these financial statements based on the 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 the audit opinion.

## **1.4 KEY AUDIT FINDINGS**

### **1.4.1 Expenditure**

The total budget was underspent with an amount of N\$ 1 323 471.86 (0.60%). However, 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):

- (i) One (1) main division exceeded with an amount of N\$ 1 295 576.96. This excess is unauthorized in terms of section 6 (a)(ii) of the Act.
- (ii) Although Treasury approval was obtained to utilise expected savings for the defrayal of excess expenditure by way of virements during the year, two (2) operational subdivisions were exceeded with N\$ 1 821 730.38. These excesses are unauthorised in terms of section 6(a) (iii) of the Act.

It is recommended that the Accounting Officer should put measures in place to avoid under spending of the budget and also avoid unauthorised expenditure.



## 1.4.2 Virements

The following main divisions reflected differences between the virements authorised by Treasury and the virements in the Appropriation account:

<b>Main division</b>	<b>Approved virements</b>	<b>Appropriation account</b>	<b>Difference</b>
	N\$	N\$	N\$
01: Administration	(21 298 430.00)	(21 850 985.96)	(552 555.96)
02: Electoral operations	41 094 230.00	42 132 985.96	1 038 755.96
03: Voter education	(19 795 800.00)	(20 282 000.00)	(486 200.00)

It is recommended that the Accounting Officer should implement measures to ensure that virements in the General ledger agree with those approved by Treasury.

## 1.5 ACKNOWLEDGEMENT

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

## 1.6 UNQUALIFIED AUDIT OPINION

I certify that I have audited the accompanying financial statements of the Electoral Commission of Namibia for the financial year ended 31 March 2014 in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, Act 31 of 1991.

In my opinion, the financial statements present fairly, in all material respects the financial position of Electoral Commission of Namibia, as at 31 March 2014, and their financial performance and their cash flows for the year then ended 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).

WINDHOEK, June 2015

**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**



## ANNEXURE A

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2013/2014						2012/2013
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent-age		
	N\$	N\$	N\$	%	N\$	
<b>01. Administration:</b>						
Original budget	67 884 000.00	46 033 014.04	44 939 046.66	1 093 967.38	2.38	29 417 430.12
Less: Virement	<u>(21 850 985.96)</u>					
<b>02. Electoral Operations:</b>						
Original budget	101 649 000.00	143 781 985.96	145 077 562.92	(1 295 576.96)	(0.90)	82 417 333.13
Plus: Virement	<u>42 132 985.96</u>					
<b>03. Voter Education:</b>						
Original budget	51 712 000.00	31 430 000.00	29 904 918.56	1 525 081.44	4.85	17 199 753.57
Less: Virement	<u>(20 282 000.00)</u>					
<b>Total</b>	<b>221 245 000.00</b>	<b>219 921 528.14</b>	<b>1 323 471.86</b>	<b>0.60</b>	<b>129 034 516.82</b>	

## 1.2 Standard subdivisions

Subdivision	2013/2014			2012/2013
	Authorized expenditure	Actual expenditure	Under expenditure	Actual expenditure
<b>Operational:</b>	N\$	N\$	N\$	N\$
<b>Current expenditure: Personnel</b>				
001. Remuneration	16 188 900.00	15 784 433.05	404 466.95	11 009 463.14
002. Employer's contribution to staff's pension fund	1 151 000.00	1 124 086.63	26 913.37	955 699.77
003. Other conditions of service	206 000.00	202 613.48	3 386.52	-
<b>Total</b>	<b>17 545 900.00</b>	<b>17 111 133.16</b>	<b>434 766.84</b>	<b>11 965 162.91</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	2 232 800.00	2 035 012.27	197 787.73	2 545 887.28
022. Materials and supplies	6 605 000.00	6 276 685.00	328 315.00	2 511 820.46
023. Transport	19 008 000.00	18 998 369.27	9 630.73	10 963 192.28
024. Utilities	4 546 000.00	4 027 639.96	518 360.04	3 906 768.48
025. Maintenance	1 572 000.00	1 380 026.15	191 973.85	309 947.77
026. Property rental and related charges	4 630 000.00	4 446 164.54	183 835.46	1 432 170.94
027. Other services and expenses	162 397 485.96	163 021 010.19	(623 524.23)	24 059 952.79
<b>Total</b>	<b>200 991 285.96</b>	<b>200 184 907.38</b>	<b>806 378.58</b>	<b>45 729 740.00</b>
<b>Subsidies and current transfers</b>				
041. Membership fees and subscriptions: International	250 000.00	238 821.80	11 178.20	196 289.40
<b>Total</b>	<b>250 000.00</b>	<b>238 821.80</b>	<b>11 178.20</b>	<b>196 289.40</b>
<b>Total: Current expenditure</b>	<b>218 787 185.96</b>	<b>217 534 862.34</b>	<b>1 252 323.62</b>	<b>57 891 192.31</b>
<b>Operational Capital expenditure: Acquisition of capital assets</b>				
101. Furniture and office equipment	1 743 000.00	1 671 858.56	71 141.44	359 449.50
102. Vehicles	-	-	-	35 670 491.50
103. Operational equipment, machinery and plant	459 000.00	458 993.20	6.80	34 660 608.96
<b>Total: Capital expenditure</b>	<b>2 202 000.00</b>	<b>2 130 851.76</b>	<b>71 148.24</b>	<b>70 690 549.96</b>
<b>Total: Operational expenditure</b>	<b>220 989 185.96</b>	<b>219 665 714.10</b>	<b>1 323 471.86</b>	<b>128 581 742.27</b>
<b>Development:</b>				
<b>Capital expenditure: Acquisition of capital assets</b>				
106. Purchase Of Land And Intangible Assets	255 814.04	255 814.04	-	452 774.55
<b>Total: Development expenditure</b>	<b>255 814.04</b>	<b>255 814.04</b>	<b>-</b>	<b>452 774.55</b>
<b>Grand Total</b>	<b>221 245 000.00</b>	<b>219 921 528.14</b>	<b>1 323 471.86</b>	<b>129 034 516.82</b>

### 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2013/2014	More/(Less) than estimated	Actual revenue 2012/2013
	N\$	N\$	N\$	N\$
Miscellaneous	1 000	86 041.10	85 041.10	1 397
Deposits made by political parties	1 000	10 600.00	9 600.00	10 300
<b>TOTAL</b>	<b>2 000</b>	<b>96 641.10</b>	<b>94 641.10</b>	<b>11 697</b>

#### 1.3.1 Notes to the financial statements

#### 1.3.2 Appropriation account: Explanations of variations exceeding 2% between authorised and actual expenditure.

##### Underexpenditure

##### Main Division 01: Administration (N\$ 1 093 967.38 – 2.38%)

The realized underexpenditure was mainly on transport, utilities and remuneration subdivisions respectively. Although the main division is within the allowable variance of two percent (2%), it is worth mentioning that the realized underexpenditure as mentioned was attributed by the fact that the major activity for the General Registration of Voters (GRV) began generally towards the closure of the book year, hence expenses such as payment of fixed tariffs and fuel invoices were all paid during the preceding financial year as the GRV process only ended beginning of March 2014.

The other attributing factor to the underspending was the upgrading and expansion of the network system, the expenditure for the two activities were committed in the financial year under review however, the funds could not be utilized fully during the year under review as the services were not complete at the time of the closure of the 2013/2014 financial year.

##### Main Division 03: Voter Education (N\$ 1 525 081.44 – 4.85%)

The underexpenditure mostly was realized from utilities and other services respectively. The mentioned subdivisions mainly cater for the activities related to voter education countrywide. In this regard, most of the Voter Education of 2013/2014 activities were planned around GRV that was expected to be conducted at the beginning of July 2013. Hence, most of the key registration materials and equipment could not be procured by then as the commencement date for the GRV was delayed due to the delay in finalization of the delimitation of boundaries across the country. In addition, the funds which were also earmarked for the publication and production of voter education materials could not be fully utilized due to the same delay in the proclamation of the GRV date.

All activities related to voter education only began from November 2013 preparing the community for the upcoming GRV which was scheduled to take place from the 15<sup>th</sup> January to 2<sup>nd</sup> March 2014. Major activities such as the award of tenders for printing of registration materials and also the use of courier services for dispatching of materials to regions could not be carried out due to limited time and late commencement of these activities. As mentioned above most of the underexpenditure was realized from the subdivisions mentioned above.

## ANNEXURE A (continued)

Lastly, the other underexpenditure was realized from office rental. Rental fees for Zambezi Regional offices for Voter Education Officers – VEO provision was made with the hope that ECN will secure a rental place at the Namibia Development Corporation (NDC) complex. In this regard, the budget amount for this service during the year under review could not be fully utilized.

## 2. GENERAL INFORMATION

### 2.1 Capital projects

The following is the development project for the year under review:

Nature of project	Approved total budget	Total expenditure as at 31/03/2013	Approved appropriation 2013/2014	Actual expenditure 2013/2014	Total expenditure at 31/03/2014	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of Electoral Commission of Namibia Regional Offices	72 180 000	452 774.55	255 814.04	255 814.04	708 588.59	31 March 2018
<b>Total</b>	<b>72 180 000</b>	<b>452 774.55</b>	<b>255 814.04</b>	<b>255 814.04</b>	<b>708 588.59</b>	

### 2.2 Bursaries and study assistance

The Accounting Officer reported an amount of N\$ 20 150 on bursaries and study assistance for the Electoral Commission.

### 2.3 Exemption from normal Tender Board procedures

The Tender board approved the following deviations from normal Tender Board procedures for procurement and services valued at N\$ 61 179 000:

Exemption number	Description	Approved amount	Actual expenditure	Variance
		N\$	N\$	N\$
E 1/8-1/2013	Travel & subsistence expenses	5 189 000	3 357 736.75	1 831 263.25
	Materials & supplies	7 169 000	2 881 297.75	4 287 702.25
	Transport	24 000 000	12 506 832.00	11 493 168.00
	Utilities	6 915 000	1 441 133.36	5 473 866.64
	Maintenance	2 200 000	731 767.02	1 468 232.98
	Property rentals	3 186 000	2 793 841.31	392 158.69
	Other service & expenses	12 170 000	12 173 900.99	(3 900.99)
	Membership fees & subscription	350 000	215 146.00	134 854.00
	<b>TOTAL</b>	<b>61 179 000</b>	<b>36 101 655.18</b>	<b>25 077 344.82</b>

## 2.4 Stock (Depots)

The Accounting Officer reported on the estimated value of Stock on hand at 31 March 2014 amounting to N\$ 11 734 371.80.

## 2.5 HIV/AIDS

The Electoral Commission incurred an amount of N\$ 81 693.84 in respects of HIV/AIDS and other wellness activities.

## 2.6 Suspense accounts

The final ledger shows four (4) suspense account balances of the Commission as at 31 March 2014 of which two (2) had credit balances and two (2) had debit balances.

Description	Debit/(Credit)
	N\$
S&T advance suspense account	103 078.09
Electronic fund transfer clearing	6 561 262.00
Rejection account	(83 597.59)
Bills payable	(9 919 122.00)

WINDHOEK, 2014-10-17

**PROFESSOR PAUL JOHN ISAAK**  
**ACCOUNTING OFFICER**