



**REPUBLIC OF NAMIBIA**



**Electoral Commission of Namibia**



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

# **ELECTORAL COMMISSION**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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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 Electoral Commission for the financial year ended 31 March 2015 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, April 2016**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



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**REPORT OF THE AUDITOR-GENERAL  
ON THE ACCOUNTS 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 2015 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 Electoral Commission of Namibia for the financial year ended 31 March 2015. These financial statements following statements submitted for the year then ended:

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

The Appropriation Account was submitted timeously by the Accounting Officer to the Auditor-General on 28 October 2015 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 and 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\$ 13 500 006.41 (3.60%).

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

#### **1.4.2 Unauthorised expenditure**

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\$ 34 898.04. These excesses are unauthorised in terms of Section 6(a)(iii) of the Act.

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



## **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 2015 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 the Electoral Commission of Namibia, as at 31 March 2015, and their financial performance and their receipts and payments 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, April 2016**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## ANNEXURE A

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

| Service                                         | 2014/2015              |                    |                             |                      | 2013/2014          |                       |
|-------------------------------------------------|------------------------|--------------------|-----------------------------|----------------------|--------------------|-----------------------|
|                                                 | Authorized expenditure | Actual expenditure | Variations                  |                      | Actual expenditure |                       |
|                                                 |                        |                    | Under-expenditure/ (Excess) | Percentage           |                    |                       |
|                                                 | N\$                    | N\$                | N\$                         | %                    | N\$                |                       |
| <b>01. Administration:</b>                      |                        |                    |                             |                      |                    |                       |
| Original budget                                 | 80 775 000             |                    |                             |                      |                    |                       |
| Plus: Virement                                  | 13 919 854             | 94 694 854         | 87 119 163.76               | 7 575 690.24         | 8.00               | 44 939 046.66         |
| <b>02. Planning, Registration &amp; Voting:</b> |                        |                    |                             |                      |                    |                       |
| Original budget                                 | 211 295 000            |                    |                             |                      |                    |                       |
| Plus: Virement                                  | 16 278 577             | 227 573 577        | 223 289 422.02              | 4 284 154.98         | 1.88               | 145 077 562.92        |
| <b>03. Voter Education:</b>                     |                        |                    |                             |                      |                    |                       |
| Original budget                                 | 82 610 000             |                    |                             |                      |                    |                       |
| Less: Virement                                  | (30 198 431)           | 52 411 569         | 50 771 407.81               | 1 640 161.19         | 3.13               | 29 904 918.56         |
| <b>Total</b>                                    |                        | <b>374 680 000</b> | <b>361 179 993.59</b>       | <b>13 500 006.41</b> | <b>3.60</b>        | <b>219 921 528.14</b> |

## 1.2 Standard subdivisions

| Subdivision                                                           | 2014/2015              |                       |                      | 2013/2014             |
|-----------------------------------------------------------------------|------------------------|-----------------------|----------------------|-----------------------|
|                                                                       | Authorized expenditure | Actual expenditure    | Under expenditure    | Actual expenditure    |
| <b>Operational:</b>                                                   | N\$                    | N\$                   | N\$                  | N\$                   |
| 001. Remuneration                                                     | 17 506 464             | 15 841 747.21         | 1 664 716.79         | 15 784 433.05         |
| 002. Employer's contribution to staff's pension fund                  | 1 511 000              | 1 236 591.43          | 274 408.57           | 1 124 086.63          |
| 003. Other conditions of service                                      | 414 343                | 289 640.01            | 124 702.99           | 202 613.48            |
| <b>Total</b>                                                          | <b>19 431 807</b>      | <b>17 367 978.65</b>  | <b>2 063 828.35</b>  | <b>17 111 133.16</b>  |
| <b>Current expenditure: Goods and other services</b>                  |                        |                       |                      |                       |
| 021. Travel and subsistence expenses                                  | 2 953 425              | 2 929 178.88          | 24 246.12            | 2 035 012.27          |
| 022. Materials and supplies                                           | 18 975 355             | 16 745 037.30         | 2 230 317.70         | 6 276 685.00          |
| 023. Transport                                                        | 53 314 932             | 53 228 784.98         | 86 147.02            | 18 998 369.27         |
| 024. Utilities                                                        | 11 003 389             | 10 717 907.25         | 285 481.75           | 4 027 639.96          |
| 025. Maintenance                                                      | 1 483 455              | 1 194 739.36          | 288 715.64           | 1 380 026.15          |
| 026. Property rental and related charges                              | 6 228 761              | 5 530 010.03          | 698 750.97           | 4 446 164.54          |
| 027. Other services and expenses                                      | 182 492 395            | 179 344 748.61        | 3 147 646.39         | 163 021 010.19        |
| <b>Total</b>                                                          | <b>276 451 712</b>     | <b>269 690 406.41</b> | <b>6 761 305.59</b>  | <b>200 184 907.38</b> |
| <b>Subsidies and current transfers</b>                                |                        |                       |                      |                       |
| 041. Membership fees and subscriptions: International                 | 272 100                | 260 501.54            | 11 598.46            | 238 821.80            |
| <b>Total</b>                                                          | <b>272 100</b>         | <b>260 501.54</b>     | <b>11 598.46</b>     | <b>238 821.80</b>     |
| <b>Total: Current expenditure</b>                                     | <b>296 155 619</b>     | <b>287 318 886.60</b> | <b>8 836 732.40</b>  | <b>217 534 862.34</b> |
| <b>Operational Capital expenditure: Acquisition of capital assets</b> |                        |                       |                      |                       |
| 101. Furniture and office equipment                                   | 6 864 333              | 6 841 835.55          | 22 497.45            | 1 671 858.56          |
| 103. Operational equipment, machinery and plant                       | 66 160 048             | 66 149 366.25         | 10 681.75            | 458 993.20            |
| <b>Total: Capital expenditure</b>                                     | <b>73 024 381</b>      | <b>72 991 201.80</b>  | <b>33 179.20</b>     | <b>2 130 851.76</b>   |
| <b>Total: Operational expenditure</b>                                 | <b>369 180 000</b>     | <b>360 310 088.40</b> | <b>8 869 911.60</b>  | <b>219 665 714.10</b> |
| <b>Development:</b>                                                   |                        |                       |                      |                       |
| <b>Capital expenditure: Acquisition of capital assets</b>             |                        |                       |                      |                       |
| 105. Feasibility studies, design and supervision                      | 4 500 000              | 798 954.50            | 3 701 045.50         | -                     |
| 106. purchase of land and intangible assets                           | 1 000 000              | 70 950.69             | 929 049.31           | 255 814.04            |
| <b>Total: Development expenditure</b>                                 | <b>5 500 000</b>       | <b>869 905.19</b>     | <b>4 630 094.81</b>  | <b>255 814.04</b>     |
| <b>Grand Total</b>                                                    | <b>374 680 000</b>     | <b>361 179 993.59</b> | <b>13 500 006.41</b> | <b>219 921 528.14</b> |

### 1.3 Departmental revenue

Revenue for the year is as follows:

| Revenue head                          | Estimate      | Actual revenue<br>2014/2015 | More/(Less)<br>than<br>estimated | Actual<br>revenue<br>2013/2014 |
|---------------------------------------|---------------|-----------------------------|----------------------------------|--------------------------------|
|                                       | N\$           | N\$                         | N\$                              | N\$                            |
| Miscellaneous                         | 1 000         | 66 630.53                   | 65 630.53                        | 86 041.10                      |
| Deposits made by Political<br>Parties | 71 000        | 175 500.00                  | 104 500.00                       | 10 600.00                      |
| <b>TOTAL</b>                          | <b>72 000</b> | <b>242 130.53</b>           | <b>170 130.53</b>                | <b>96 641.10</b>               |

### 1.4 Notes to the financial statements

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

#### Underexpenditure

##### Main Division 01: Administration (N\$ 7 575 690.24 – 8.0%)

The realized underexpenditure was mainly on transport, utilities and remuneration which constitute a mere three percent (3%) out of eight percent (8%) less than voted for main division one (1). During the 2014 Presidential and National Assembly Elections, the Electoral Commission utilized vehicles from Government Garage and other Ministries, and most of the transport charges were only received towards the end of the financial year. The other item which might seem apparent is the underexpenditure realized on remuneration for the above main division which was attributed by four (4) vacant positions (Deputy Director, Senior Accountant, Internal Auditor, and Private Secretary for the Office of the Accounting Officer).

The other recognized underexpenditure was on Capital Projects which constitutes a five percent (5%) remainder of the eight percent (8%) less than voted for main division one (1). The main attributing factor was that the appointment of the Consultants for feasibility studies was done late in September 2014; hence the Electoral Commission could not pay the consultation fees as planned. Thus, resulting in a mere execution rate of sixteen percent (16%).

##### Main Division 03: Voter Education (N\$ 1 640 161.19 – 3.13%)

The significant underexpenditure was mostly realized from utilities and other services respectively. The mentioned subdivisions mainly caters for the activities related to Voter Education countrywide. The sub-item which caters for the salaries related to Voter Education Officers (VEO's) is housed under Other Services subdivision. Electoral Commission experienced a major staff turnover of VEO's that left for permanent jobs which constituted a 2% (N\$ 1 235 479.89) out of 3.13% less than voted for this main division. The remaining 1% (N\$ 404 681.30) was mainly from the underexpenditure of the office rentals of VEO's in all fourteen (14) regions in materials and supply.

The Electoral Commission depends on office rentals in the regions. During the year under review, most of the renewed office rental contracts were negotiated on a two year term in order to cater for the two consecutive financial years with major elections activities hence, no escalation fees were included in those contracts thus, this resulted in underexpenditure on property rentals

#### **1.4.2 Revenue: Explanations of variations exceeding N\$ 100 000**

##### **Deposits made by Political Parties**

The budgetary provision of N\$ 71 000 was made on Deposits made by political parties during the 2014/2015 financial year. The estimation was based on the deposit fees as it was indicated in the repealed Electoral Act, Act No. 24 of 1992. The new Electoral Act, Act No. 5 of 2014 increased the deposit from political parties and the number of political parties who participated in the Presidential and National Assembly elections for 2014 has increased drastically.

It is against this background that during the year under review, the Electoral Commission recorded revenue amounting to N\$ 175 500, as deposits made by Political Parties to participate in the 2014 Presidential and National Assembly (PNA) Elections as well as for the candidates who participated in the by-elections for Swakopmund and Otjiwarongo constituencies respectively.

## 2. GENERAL INFORMATION

### 2.1 Capital projects

The following were the development projects of the Commission for the year under review:

| Nature of project                                                | Approved total budget | Total expenditure at 31/03/2014 | Approved appropriation 2014/2015 | Actual expenditure 2014/2015 | Total expenditure at 31/03/2015 | Expected year of completion |
|------------------------------------------------------------------|-----------------------|---------------------------------|----------------------------------|------------------------------|---------------------------------|-----------------------------|
|                                                                  | N\$                   | N\$                             | N\$                              | N\$                          | N\$                             |                             |
| Construction of Electoral Commission of Namibia Regional Offices | 123 969 000           | 708 588.59                      | 5 500 000                        | 869 905.19                   | 1 578 493.78                    | 31 March 2020               |
| <b>Total</b>                                                     | <b>123 969 000</b>    | <b>708 588.59</b>               | <b>5 500 000</b>                 | <b>869 905.19</b>            | <b>1 578 493.78</b>             |                             |

### 2.2 Bursaries and study assistance

The Electoral Commission provided four (4) candidates with financial assistance to a total amount of N\$ 142 850.

### 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\$ 127 984 062.20:

| Exemption number | Description                               | Approved amount    | Actual expenditure   | Variance             |
|------------------|-------------------------------------------|--------------------|----------------------|----------------------|
|                  |                                           | N\$                | N\$                  | N\$                  |
| E 1/8-1/2014     | Travel & subsistence expenses             | 6 018 000          | 419 447.00           | 5 598 553.00         |
|                  | Materials & supplies                      | 12 074 000         | 8 617 766.46         | 3 456 233.54         |
|                  | Transport                                 | 22 789 000         | 17 179 460.23        | 5 609 539.77         |
|                  | Utilities                                 | 8 689 000          | 7 949 341.33         | 739 658.67           |
|                  | Maintenance                               | 3 650 000          | 1 328 917.01         | 2 321 082.99         |
|                  | Property rentals                          | 9 133 000          | 1 507 264.39         | 7 625 735.61         |
|                  | Other service & expenses                  | 20 000 000         | 19 739 062.78        | 260 937.22           |
|                  | Membership fees & subscription            | 350 000            | 22 607.00            | 327 393.00           |
|                  | Furniture & Equipment                     | 5 605 000          | 2 343 014.73         | 3 261 985.27         |
|                  | Operational Equipment, Machinery & Plants | 39 676 062         | 16 436 575.01        | 23 239 486.99        |
|                  | <b>Total</b>                              | <b>127 984 062</b> | <b>75 543 455.94</b> | <b>52 440 606.06</b> |

#### **2.4 Points keeping stock and stock taking**

The Accounting Officer reported that due to the preparations of the Presidential and National Assembly elections during the financial year under review, the Electoral Commission was unable to conduct the annual stock taking. Treasury approval was obtained.

#### **2.5 Stock (Depots)**

The Accounting Officer reported on the estimated value of stock on hand at 31 March 2015 amounting to N\$ 11 581 615.73.

#### **2.6 HIV/AIDS**

The Electoral Commission spent a total amount of N\$ 32 082.48 on HIV/AIDS and other wellness activities during the year under review.

#### **2.7 Commissions and Special Committees**

The total costs incurred by the Electoral Commission Board Members amounted to N\$ 1 821 553.61.

#### **2.8 Subsistence & Travelling allowances**

The Accounting Officer reported a total of seventeen (17) cases of outstanding subsistence advances amounting to N\$ 100 619.61 as at 31 March 2015.

#### **2.9 Suspense accounts**

The final ledger shows five (5) suspense account balances of the Commission as at 31 March 2015 as follows:

| <b>Description</b>                        | <b>Debit/(Credit)</b> |
|-------------------------------------------|-----------------------|
|                                           | N\$                   |
| Receipt suspense                          | (500.00)              |
| S&T advance suspense account              | 106 629.41            |
| Rejection account                         | (15 238.76)           |
| Bills payable                             | 222 622.59            |
| Electronic Fund Transfer Clearing Account | (24 828.28)           |

#### **2.10 Motor vehicle accidents**

The Accounting Officer reported fourteen (14) vehicle accidents during the year under review. Six (6) vehicles were reported to be repaired at a total cost of N\$ 41 024.16

**WINDHOEK, 2015-10-28**

**PROFESSOR PAUL JOHN ISAAK  
ACCOUNTING OFFICER**