



**REPUBLIC OF NAMIBIA**



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

# **NATIONAL ASSEMBLY**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011**

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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 National Assembly for the financial year ended 31 March 2011 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 2012**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL  
ON THE ACCOUNTS OF THE  
NATIONAL ASSEMBLY  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2011**

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**1. INTRODUCTION**

**1.1 Report**

This report on the accounts of the National Assembly for the financial year ended 31 March 2011 is presented to the National Assembly in accordance with Article 127(2) of the Constitution of the Republic of Namibia and Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991), as amended.

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

**2. FINANCIAL STATEMENTS**

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 to this report.

**3. SCOPE OF THE AUDIT**

**3.1** The Accounting Officer of the National Assembly in co-operation with the Permanent Secretary of the Ministry of Finance is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions therein. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly. The audit included:

- (a) Examination on a test basis of evidence relevant to the amounts, disclosure and regularity of the financial transactions included in the financial statements; and
- (b) Evaluation of the overall adequacy of the presentation of information in the financial statements.

- 3.2** The audit was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:
- (a) The financial statements are free from material misstatements, whether caused by error, fraud or other irregularity;
  - (b) In all material respects, the expenditure and income have been applied to the purposes intended by the legislature; and
  - (c) The financial transactions conform to the authorities that govern them.

## **4. AUDIT OBSERVATIONS**

### **4.1 MAIN ISSUES/FINDINGS BY THE AUDIT**

#### **4.1.1 Expenditure**

The total budget was underspend with an amount of N\$ 13 513 618.65 (11.5%). However, the under mentioned unauthorized expenditure occurred during the financial year and 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 excess expenditure through virements during the year, two (2) subdivisions were exceeded by a total amount of N\$ 340 935.86 which is unauthorised in terms of Section 6(a)(iii) of the Act.

#### **4.1.2 Subsistence and Travel**

During the audit it was found that the subsistence and travel advance suspense account is indicating an uncleared debit balance of N\$ 94 300.48, however only N\$ 45 836.60 was reported on the statement submitted by the Accounting Officer. Therefore, there may be a lot of outstanding claims or money owed to the State.

It is recommended that reconciliation must be done on a monthly basis to clear this account and the individuals owing should be instructed to submit their claims or else deductions should be made from their salaries as contemplated in the Treasury Instruction HB 0506..

## **5. ACKNOWLEDGEMENT**

The co-operation and assistance of the management and staff of the National Assembly during the audit is appreciated.

## **6. AUDIT OPINION**

I certify that I have audited the financial statements of the National Assembly for the year ended 31 March 2011 in accordance with 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 3 for the year ended 31 March 2011, and in all material respects the receipts and payments have been applied to the purposes intended by the National Assembly and conform to the authorities which govern them.

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

**OFFICE OF THE AUDITOR-GENERAL**  
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**Independence Avenue 277**  
**Private Bag 13299**  
**WINDHOEK**  
**NAMIBIA**

## 1. FINANCIAL STATEMENTS

## 1.1 Appropriation account

2010/2011					2009/2010	
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
	N\$	N\$	N\$	%	N\$	
<b>01. Office of the Speaker:</b>						
Original budget	9 288 000					
Plus: Virement	300 000	9 588 000	8 074 724.90	1 513 275.10	15.78	8 443 935.50
<b>02. Administration and Legislation:</b>						
Original budget	104 588 000					
Less: Virement	(460 000)	104 120 000	92 458 982.25	11 669 017.75	11.21	78 594 848.17
<b>03. Library and Computer Services:</b>						
Original budget	3 660 000					
Plus: Virement	160 000 000	3 820 000	3 488 674.20	331 325.80	8.67	5 530 153.30
<b>Total</b>	<b>117 536 000</b>	<b>117 536 000</b>	<b>104 022 381.35</b>	<b>13 513 618.65</b>	<b>11.5</b>	<b>92 568 936.97</b>

## ANNEXURE A (Continued)

## 1.2 Standard subdivisions

Subdivision	2010/2011			2009/2010
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual-expenditure
	N\$	N\$	N\$	N\$
<b><u>Operational</u></b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	34 769 000	27 720 568.57	7 048 431.43	30 316 931.01
002. Employer's contribution to the G.I.P.F.	3 989 000	3 448 569.27	540 430.73	2 523 594.25
003. Other conditions of service	2 193 000	2 161 999.01	31 000.99	11 278.83
<b>Total</b>	<b>40 951 000</b>	<b>33 331 136.85</b>	<b>7 619 863.15</b>	<b>32 851 805.09</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	15 372 000	12 862 921.39	2 509 078.61	14 428 465.61
022. Materials and supplies	717 000	599 703.98	117 296.02	1 127 188.29
023. Transport	2 615 000	2 460 872.03	154 127.97	1 892 227.93
024. Utilities	2 135 000	2 111 494.86	23 505.14	1 945 029.41
025. Maintenance	685 000	504 468.83	180 531.17	368 325.63
027. Other services and expenses	11 608 000	10 377 256.11	1 230 743.89	8 490 908.72
<b>Total</b>	<b>33 132 000</b>	<b>28 916 717.20</b>	<b>4 215 282.80</b>	<b>28 252 145.59</b>
<b>Current expenditure: Membership fees and subscriptions</b>				
041. International	1 690 000	1 649 836.65	40 163.35	549 558.12
042. Domestic	7 000	1 293.86	5 706.14	1 600.00
<b>Total</b>	<b>1 697 000</b>	<b>1 651 130.51</b>	<b>45 869.49</b>	<b>551 158.12</b>
<b>Total: Current expenditure</b>	<b>75 780 000</b>	<b>63 898 984.56</b>	<b>11 881 015.44</b>	<b>85 355 108.70</b>
<b>Subsidies, grants, contributions and other current transfers</b>				
045. Public and departmental enterprises and Private Industries	25 000 000	23 437 500.00	1 562 500.00	23 700 000.00
<b>Total</b>	<b>25 000 000</b>	<b>23 437 500.00</b>	<b>1 562 500.00</b>	<b>23 700 000.00</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	3 756 000	3 635 718.35	120 281.65	3 269 271.31
<b>Total</b>	<b>3 756 000</b>	<b>3 635 718.35</b>	<b>120 281.65</b>	<b>3 269 271.31</b>
<b>Total: Operational expenditure</b>	<b>104 536 000</b>	<b>90 972 202.91</b>	<b>13 563 797.09</b>	<b>88 624 380.11</b>
<b><u>Development</u></b>				
<b>Capital expenditure: Acquisition of assets</b>				
107. Construction, renovation and improvements	13 000 000	13 050 178.44	(50 178.44)	3 944 556.86
<b>Total: Development expenditure</b>	<b>13 000 000</b>	<b>13 050 178.44</b>	<b>(50 178.44)</b>	<b>3 944 556.86</b>
<b>GRAND TOTAL</b>	<b>117 536 000</b>	<b>104 022 381.35</b>	<b>13 513 618.65</b>	<b>92 568 936.97</b>

### 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2010/2011	More/(Less) than estimated	Actual revenue 2009/2010
	N\$	N\$	N\$	N\$
Private telephone calls	10 000	-	(10 000.00)	-
Miscellaneous	-	635 774.03	635 774.03	727 255.88
<b>Total</b>	<b>10 000</b>	<b>635 774.03</b>	<b>625 774.03</b>	<b>727 255.88</b>

### 1.4 NOTES TO THE FINANCIAL STATEMENTS

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

##### 1.4.1.1 Underexpenditure

#### **Main division 01: Office of the Speaker (n\$ 1 513 275.10 - 15.78%)**

Underexpenditure was due to the vacant position of the Personal Assistant of the Speaker as well as the Special Assistant to the Speaker for half the financial year.

The Speaker did not utilise the total sum of his furniture allowance thus the underexpenditure. Two planned Parliamentary Outreach activities also did not take place. Also, a cut in the Speaker's delegation resulted in the underexpenditure.

The underexpenditure was as a result of less stationary utilised during the year.

The National Assembly planned to host two international delegations led by the Speakers, however due to other pressing matters, the visits could not take place as planned.

#### **Main division 02: Administration and Legislation (N\$ 11 669 017.75 - 11.21%)**

The underexpenditure was due to the vacant positions in the Directorate legal Service as well as the fact that some Members of Parliament were not sworn in for some time.

Due to the delay in the swearing in of some Members of Parliament, work was also delayed and thus some planned trips did not take place. Also, some of the planned activities which were budgeted for got sponsored.

The delay in the swearing in of some members had a chain reaction on the operations and activities of the National Assembly and in particular that of the Committee Services.



The delay in the swearing in of some members had a chain reaction on the operations and activities of the National Assembly and in particular that of the committee Services, as planned activities could not be carried out on time.

Maintenance expenses is difficult to predict, however, with the current renovation going on at Parliament Building, and the concurrent relocation of staff from one office to another, not much maintenance could be done.

Due to already alluded absence of members of the Opposition, parliamentary committees could not be formed and were therefore not operational until the end of June 2010, and some expenses such as Party secretarial funding and entertainment for Members of Parliament were not fully executed to mention but a few.

The budgeted amount was meant for the payment of fees to the Law Society of Namibia. The only incumbent in the Directorate Legal Services was not an admitted legal practitioner and the other positions were vacant and thus the underexpenditure.

Underexpenditure was due to the political party funding not paid out to parties that were not sworn in for the first two quarters of the financial year.

### **3. Main-division 03: Library and Computer services (N\$ 331 325.80 - 8.67%)**

The underexpenditure occurred due to the non-filing of the vacant position within the Main Division.

There was an over estimation of the funds needed for material and suppliers resulting in an underexpenditure.

The number of maintenance interventions and renovation work needed where much less than anticipated resulting in the underexpenditure.

Even though a system is in place to train all staff members in one financial year it was not always easy to find specialized training courses in library studies and IT. It also happened that some courses rendered where covered from the Administration budget.

Due to an administrative error, the commitments for international subscriptions were not honoured resulting in the underexpenditure reflected.

An administrative error resulted in the non-payment of domestic subscriptions which in turn created an underexpenditure.

Changes in the Tender amount from what was budgeted for and what was offered through the furniture and office equipment tender received resulted in this underexpenditure.

## GENERAL INFORMATION

### 2.1 Tender Board exemption

The following was the annual Tender Board exemption granted as per document number E1/25-1/2009:

Description	Estimated Value 2010/11	Actual expenditure 2010/2011	Difference
	N\$	N\$	N\$
Other Conditions of Services	2 050 000	2 046 500.00	3 500.00
Subsistence and Travel	15 212 000	12 762 921.38	2 449 078.62
Material and Supplies	717 000	599 703.98	117 296.02
Utilities	2 135 000	2 111 494.86	23 505.14
Maintenance Expenses	685 000	504 462.83	180 537.17
Other Services and Expenses	2 618 000	2 217 819.94	400 180.06
Membership Fees	1 697 000	1 651 130.51	45 869.49
<b>Total</b>	<b>25 114 000</b>	<b>21 894 033.50</b>	<b>3 219 966.50</b>

### 2.2 Agency Payments

The following were payments made out to agencies on representations on other organizations, but were also recovered on behalf of the state:

Agency	Amount	Ledger Account	Amount	Nature of expenditure
	N\$		N\$	
CPA	21 554.00	03020210203	21 554.00	Air ticket cost
ACP	24 199.87	03010210203	24 199.87	Air ticket cost
IPU	520 570.78	03010210203	520 570.78	Air ticket cost
<b>Total</b>	<b>566 324.65</b>	<b>03010210203</b>	<b>566 324.65</b>	Air ticket cost

### 2.3 Capital projects

Nature of Project	Approved total budget	Total expenditure at 31/03/2010	Approved appropriation 2010/11	Actual expenditure per ledger 2010/11	Total expenditure at 31/03/2011	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
National Assembly: Renovation/Upgrading of Parliament Building	32 832 000	6 050 864.86	13 000 000	13 050 178.44	19 101 043.30	31/03/2013
<b>TOTAL</b>	<b>32 832 000</b>	<b>6 050 864.86</b>	<b>13 000 000</b>	<b>13 050 178.44</b>	<b>19 101 043.30</b>	

### 2.4 Study Assistance

National Assembly assisted three (3) staff members to the amount of N\$ 39 470.00 during the financial year under review.

## 2.5 Costs and Damage to Government Properties

There was no accident(s) reported in this financial year 2010/2011 however one (1) vehicle which the accident happened in the previous financial year 2009/2010 was repaired at a cost of N\$ 8 669.88.

## 2.6 Suspense accounts

The Department had outstanding balances on four (4) suspense accounts of which two (2) had a debit and the other two (2) had a credit balance at the end of the financial year under review:

Description	Debit	Credit
	N\$	N\$
Receipt Suspense	15 125.74	
S & T Advance Suspense Account	94 300.48	
Bills Payable		4 752 238.38
Rejection Account		120.00

WINDHOEK, 2011-10-31

JAKES JACOBS  
ACCOUNTING OFFICER