



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL ASSEMBLY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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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 2012 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 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE
NATIONAL ASSEMBLY
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2012**

1. INTRODUCTION

1.1 Report

This report on the accounts of the National Assembly for the financial year ended 31 March 2012 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 misstatement 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\$ 9 346 325.50 (7.2%). These funds could have been used for other pressing national issues in the Country. However, the under mentioned unauthorized expenditure occurred during the financial year and are 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 utilize certain expected savings for the defrayal of excess expenditure through virements during the year, one (1) subdivision was exceeded by a total amount of N\$ 619 142.54 which is unauthorized in terms of Section 6(a)(iii) of the Act.

It is recommended that the Accounting Officer exercise proper budget control.

4.1.2 Standard Subdivisions

The actual expenditure of the Assembly as reflected in the Appropriation account, differs from the amount reflected in the standard subdivision statement as follows:

Appropriation account	Standard subdivision statement	Difference
N\$	N\$	N\$
120 441 721.50	120 437 978.36	3 743.14

The Accounting Officer should explain this difference as a matter of importance.

4.1.3 Suspense accounts

The final trial balance reflected six (6) unclear suspense account balances of which two (2) had debit balances and four (4) had credit balances at the end of the financial year under review. See the table below for the accounts exceeding N\$100 000:

Description	Debit	Credit
	N\$	N\$
S & T Advance Suspense Account	197 929.04	
Bills Payable		1 511 749.13
Electronic Fund Transfer Clearing Account (EFT)		582 086.88
IFMS Debit Acceptance: Government Garage		826 168.21

It is recommended that the Accounting Officer should make sure that all suspense accounts are reconciled as prescribed in Treasury Instruction FD 0703 which states *“that accounting officers shall furnish the following certificate to the Auditor-General annually on 31 March: The following suspense accounts of the Ministry have been thoroughly analysed and reconciled with the ledger accounts. Steps are constantly being taken to clear all items in the suspense accounts.”*

5. ACKNOWLEDGEMENT

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

6. EMPHASIS OF MATTER

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements:

- a) Paragraph 4.1.1 Expenditure. The total budget of the Assembly was underspend with an amount of N\$ 9 346 325.50 (7.2%).

7. AUDIT OPINION

I certify that I have audited the financial statements of the National Assembly for the year ended 31 March 2012 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 2012, 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

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WINDHOEK
NAMIBIA

1. FINANCIAL STATEMENTS

1.1 Appropriation account

2011/2012						2010/2011
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Speaker:						
Original budget						
Less: Virement						
	9 232 098	7 223 104.00	2 008 994.00	21.76	8 074 724.90	
02. Administration and Legislation:						
Original budget						
Plus: Virement						
	115 675 402	109 690 734.41	5 984 667.59	5.17	92 458 982.25	
03. Library and Computer Services:						
Original budget						
Plus: Virement						
	4 880 547	3 527 883.09	1 352 663.91	27.72	3 488 674.20	
Total	129 788 047	120 441 721.50	9 346 325.50	7.2	104 022 381.35	

See paragraph 4.1.2

1.2 Standard subdivisions

Subdivision	2011/2012			2010/2011
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual-expenditure
	N\$	N\$	N\$	N\$
<u>Operational</u>				
Current expenditure: Personnel				
001. Remuneration	37 731 143	34 916 701.10	2 814 441.90	27 720 568.57
002. Employer's contribution to the G.I.P.F.	4 639 904	4 133 698.70	506 205.30	3 448 569.27
003. Other conditions of service	247 000	208 415.42	38 584.58	2 161 999.01
Total	42 618 047	39 258 815.22	3 359 231.78	33 331 136.85
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	17 797 000	15 659 475.77	2 137 524.23	12 862 921.39
022. Materials and supplies	1 436 000	918 562.25	517 437.75	599 703.98
023. Transport	3 050 000	3 668 646.69	(618 646.69)	2 460 872.03
024. Utilities	3 414 000	3 129 282.54	284 717.46	2 111 494.86
025. Maintenance	576 000	424 546.25	151 453.75	504 468.83
027. Other services and expenses	11 704 000	9 502 705.90	2 201 294.10	10 377 256.11
Total	37 977 000	33 303 219.40	4 673 780.60	28 916 717.20
Current expenditure: Membership fees and subscriptions				
041. International	1 856 000	1 697 472.31	158 527.69	1 649 836.65
042. Domestic	19 000	1 600.00	17 400.00	1 293.86
Total	1 875 000	1 699 072.31	175 927.69	1 651 130.51
Total: Current expenditure	82 470 047	74 261 106.93	8 208 940.07	63 898 984.56
Subsidies, grants, contributions and other current transfers				
045. Public and departmental enterprises and Private Industries	28 200 000	28 102 005.00	97 995.00	23 437 500.00
Total	28 200 000	28 102 005.00	97 995.00	23 437 500.00
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 909 000	881 306.70	1 027 693.30	3 635 718.35
102. Vehicle	2 000 000	1 984 614.68	15 385.32	-
Total	3 909 000	2 865 921.38	1 043 078.62	3 635 718.35
Total: Operational expenditure	114 579 047	105 229 033.31	9 350 013.69	90 972 202.91
<u>Development</u>				
Capital expenditure: Acquisition of assets				
107. Construction, renovation and improvements	15 209 000	15 208 945.05	54.95	13 050 178.44
Total: Development expenditure	15 209 000	15 208 945.05	54.95	13 050 178.44
GRAND TOTAL	129 788 047	120 437 978.36	9 350 068.64	104 022 381.35

See paragraph 4.1.2

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2011/2012	More/(Less) than estimated	Actual revenue 2010/2011
Miscellaneous	N\$ 50 000	N\$ 496 507.32	N\$ 446 507.32	N\$ 635 774.03
Total	50 000	496 507.32	446 507.32	635 774.03

See paragraph 4.1.4

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\$ 2 008 994 – 21.76%)

The position for the Special Assistant and the Personal assistant to the speaker are currently occupied by staff seconded to the speaker's office, as a result only part of the budget amount was spent.

The speaker did not fully utilise the furniture allowance provided to members of Parliament and other Political Office Bearer per term.

The speaker's outreach that was scheduled to take place during the financial year under review could not take place as planned.

A nominal amount of N\$ 15 000 was budgeted for maintenance for office equipment as well as the furniture at the speaker's office and resident. The total amount has not been spent.

Main division 02: Administration and Legislation (N\$ 5 984 667.59 – 5.17%)

The positions in the Directorate legal services were meant to be changed to full Deputy Director because of the high staff turnover in the Directorate in previous years. The unfortunate situation is that the positions were not changed and thus the vacancies could not be filled. The Director position was advertised several times in order to fill it but due to unforeseen circumstances it could not be filled. Two position of secretary to the Director thus could also not be filled. Two positions for researchers (policy Analysts) Grade SP3 were budgeted for and were supposed to be filled during this specific financial year, however, the two researchers only came on board on 01 August 2012, thus resulting in under spending.

Due to overlapping membership in standing committee members commit themselves to activities of more than one committee at the same time during the budget process and withdrew at the last moment. As a result, some activities which were budgeted for could not take place. The division research, publication and editorial services in its guiding action plan for 2011/2012 had initially planned to undertake civic education visits to schools in the Hardap, Karas and Kunene Regions. The information of the envisaged visits to the Regions were communicated to the Directors of education to get permission for the visit, but unfortunately up to date, the National Assembly did not get responses from the Directors. Due to the vacancies in the Directorate Legal Services as indicated, the only incumbent thus could not use the allocated funds to the maximum.

ANNEXURE A (Continued)

Due to the budgeted vacancies not filled, funds provided for could not be spent. Due to the renovation and consistency shifting of the staff from one block to the other and from one office to the other and the shortage of storage facilities resulted in not spending the money as planned.

Due to the renovation and consistency shifting of the staff from one block to the other and from one office to the other the utilisation of utilities were drastically reduced. Secondly, due to the vacancies in the various directorate/division for staff who were supposed to be recruited during this financial year. An amount was budgeted for their telephones and cell phones, but due to the delay in getting them on board there was no other option but to under spend.

No bill was referred to committees during the period under review, though the Assembly budgeted for the possibility of bills and motions being referred to committees. When bills are referred to committees, there is a need to advertise for the hearings, consultancy services and other professional's services. Another reason is that we hosted fewer foreign delegations than normal. Hosting foreign delegation requires that we provide lunch or dinner for them or refreshments during the meetings.

The performance of the Namibia dollar against the international currencies were under estimated during the budgeted process and this resulted in positive balances on all accounts of international organisations that the Assembly subscribe to.

The budgeted amount and subscriptions fees are meant for the payment of fees to the law society of Namibia. The only incumbent in the directorate legal services is not an admitted legal practitioner and the other positions are vacant and thus the under expenditure.

The under spending of 65% on Furniture and Office Equipment came as a result of the renovation which took long to be completed and the idea was to purchase new furniture and equipment for the six revamped offices of the current staff and offices for the two new researchers. In addition, due to the fact that the vacancies were not filled, the required furniture could not be acquired as the offices were being used by other staff members and as was already mentioned, this was the period that the parliament building was being renovated.

3. Main-division 03: Library and Computer services (N\$ 1 352 663.91 – 27.72%)

The position for the system administrator could not be filled although it was advertised, thus the underexpenditure on remuneration and contribution to GIPF.

An amount of N\$ 30 000 was budgeted for the payment of subscription to the international library associations. The total amount was not spent.

GENERAL INFORMATION

2.1 Capital projects

Nature of Project	Approved total budget	Total expenditure at 31/03/2011	Approved appropriation 2011/2012	Actual expenditure 2011/2012	Total expenditure at 31/03/2012	Expected year of completion
National Assembly: Renovation/ upgrading of Parliament Building	N\$ 38 602 000	N\$ 19 101 043.30	N\$ 15 209 000	N\$ 15 208 945.05	N\$ 34 309 988.35	 31/03/2014
TOTAL	38 602 000	19 101 043.30	15 209 000	15 208 945.05	34 309 988.35	

WINDHOEK, 2012-10-31

JAKES JACOBS
ACCOUNTING OFFICER