



**REPUBLIC OF NAMIBIA**



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

# **NATIONAL ASSEMBLY**

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

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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 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**

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

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**1. INTRODUCTION**

This report on the accounts of the National Assembly for the financial year ended 31 March 2013 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.

**Report on the Financial Statements**

I have audited the accompanying financial statements of the National Assembly 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 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**

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.

**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. 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.

#### **4. AUDIT FINDINGS**

##### **4.1 EMPHASIS OF MATTERS**

###### **4.1.1 Underexpenditure**

The total budget of the National Assembly was underspend with an amount of N\$ 8 308 352.56 (7.2%).

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

###### **4.1.2 Unauthorised Expenditure**

- (i) One main division was exceeded with an amount of N\$ 113 045.84 which is unauthorised in terms of Section 6(a)(ii) of the Act.
- (ii) Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, two (2) sub-divisions were exceeded with a total amount of N\$ 786 697.23 which is unauthorised in terms of Section 6(a)(iii) of the Act.

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

###### **4.1.3 Suspense Accounts**

The Accounting Officer reported three (3) suspense accounts with outstanding balances at the end of the financial year, whereby all had debit balances.

The following suspense accounts had balances exceeding N\$ 100 000 on 31 March 2013:

<b>Suspense account</b>	<b>Amount Debit/(Credit)</b>
	N\$
S&T Advance Suspense Account	220 218.58
Bills Payable	3 569 703.35

It is recommended that the Accounting Officer should take all necessary steps to clear the balances on the accounts.

#### 4.1.4 Non-disclosure of Revenue sub item

The Accounting Officer did not report revenue collected on Private telephone calls and unclaimed cheques as required by Circular D12/2010 of the Auditor-General. However, the General Ledger reflects revenue collected on these revenue items (see paragraph 7.3).

It is recommended that the Accounting Officer should report on all items as required by Circular D12/2010 of the Auditor-General.

#### 4.1.5 Miscellaneous Revenue

The Accounting Officer reported an amount of N\$ 35 203 on Miscellaneous Revenue. However, the General Ledger reflects an amount of N\$ 1 099 493.66.

It is recommended that the Accounting Officer should ensure that statements submitted to the Auditor-General are correct at all times

#### 4.1.6 Non -submission of Statements and Supporting Documents

The Accounting Officer did not submit Statement 6: Ministerial Revenue annual report statement as required by circular D12/2010 of the Auditor-General.

Three (3) accident reports were also not provided for verification. Two (2) financial inspection reports were also not provided for verification. Furthermore, Subsistence and Travelling claim forms for three (3) staff members to the value of N\$ 99 784.41 were not provided for audit purposes.

It is recommended that the Accounting Officer ensures that all required information is submitted as required by Circular D12/2010 of the Auditor-General.

#### 4.1.7 Tender Board exemption

The Accounting Officer reported on the following approved Tender Exemptions. Furthermore, the actual expenditure incurred under the annual exemption could not be verified as the supporting documents could not be provided for verification purposes.

Reference number	Description	Estimated value	Actual expenditure	Difference less/(more)
E1/25-1/2011		N\$	N\$	N\$
	Other services and expenses	175 000	43 724	131 276
	Subsistence and Travelling	14 874 000	13 454 498	1 419 502
	Material and Supplies	671 000	1 155 046	(484 046)
	Utilities	4 695 000	2 341 636	2 353 364
	Maintenance expenses	525 000	738 500	(213 500)
	Other Services and Expenses	10 483 000	5 704 950	4 778 050
	Membership Fees	1 981 000	1 828 085	152 915
Furniture and Office Equipment	861 000	1 464 831	(603 831)	
	<b>Total</b>	<b>34 265 000</b>	<b>26 731 270</b>	<b>7 533 730</b>

It is recommended that the Accounting Officer should submit the actual expenditure supporting information for audit purposes as required by Circular D12/2010 of the Auditor-General.

## **5. ACKNOWLEDGMENT**

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

## **6. UNQUALIFIED AUDIT OPINION**

I certify that I have audited the financial statements of the National Assembly for the year ended 31 March 2013 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 present fairly the receipts and payments of Vote 03 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 Ave**  
**Private Bag 13299**  
**WINDHOEK**  
**NAMIBIA**

## 7. FINANCIAL STATEMENTS

## 7.1 Appropriation account

2012/2013					2011/2012	
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
	N\$	N\$	N\$	%	N\$	
<b>01. Legislative Management:</b>						
Original budget	14 982 000					
Less: Virement	(1 410 000)	13 572 000	11 221 799.88	2 350 200.12	17.32	7 223 104.00
<b>02. Parliamentary Coordination &amp; Support Service:</b>						
Original budget	56 555 000					
Plus: Virement	2 515 000	59 070 000	54 098 631.95	4 971 368.05	8.42	109 690 734.41
<b>03. Information Service:</b>						
Original budget	8 447 000					
Less: Virement	(530 000)	7 917 000	6 817 169.77	1 099 830.23	13.89	3 527 883.09
<b>04. Parliamentary Committee Service:</b>						
Original budget	35 349 000					
Less: Virement	(575 000)	34 774 000	34 887 045.84	(113 045.84)	(0.33)	-
<b>Total</b>		<b>115 333 000</b>	<b>107 024 647.44</b>	<b>8 308 352.56</b>	<b>7.2%</b>	<b>120 441 721.50</b>



## ANNEXURE A (Continued)

## 7.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual-expenditure
	N\$	N\$	N\$	N\$
<b>Operational</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	39 001 000	37 757 581.96	1 243 418.04	34 916 701.10
002. Employer's contribution to the G.I.P.F.	4 761 000	4 480 583.38	280 416.62	4 133 698.70
003. Other conditions of service	245 000	44 203.08	200 796.92	208 415.42
<b>Total</b>	<b>44 007 000</b>	<b>42 282 368.42</b>	<b>1 724 631.58</b>	<b>39 258 815.22</b>
<b>Current expenditure: Goods and Other Services</b>				
021. Travel and subsistence allowance	14 107 000	13 411 508.14	695 491.86	15 659 475.77
022. Materials and supplies	1 236 000	1 155 045.59	80 954.41	918 562.25
023. Transport	3 800 000	2 663 719.36	1 136 280.64	3 668 646.69
024. Utilities	2 594 000	2 341 635.71	252 364.29	3 129 282.54
025. Maintenance expenses	760 000	738 500.25	21 499.75	424 546.25
027. Other services and expenses	7 848 000	6 910 098.35	937 901.65	9 502 705.90
<b>Total</b>	<b>30 345 000</b>	<b>27 220 507.4</b>	<b>3 124 492.6</b>	<b>33 303 219.40</b>
<b>Current expenditure: Membership Fees and Subscriptions</b>				
041. International	1 861 000	1 828 085.41	32 914.59	1 697 472.31
042. Domestic	-	-	-	1 600.00
<b>Total</b>	<b>1 861 000</b>	<b>1 828 085.41</b>	<b>32 914.59</b>	<b>1 699 072.31</b>
<b>Total: Current expenditure</b>	<b>76 213 000</b>	<b>71 330 961.23</b>	<b>4 882 038.77</b>	<b>74 261 106.93</b>
<b>Subsidies, grants, contributions and other current transfers</b>				
045. Public and departmental enterprises and private industries	28 200 000	28 102 005.00	97 995.00	28 102 005.00
<b>Total</b>	<b>28 200 000</b>	<b>28 102 005.00</b>	<b>97 995.00</b>	<b>28 102 005.00</b>
<b>Operational Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	1 711 000	1 464 830.82	246 169.18	881 306.70
102. Vehicles	-	-	-	1 984 614.68
<b>Total</b>	<b>1 711 000</b>	<b>1 464 830.82</b>	<b>246 169.18</b>	<b>2 865 921.38</b>
<b>Total: Operational expenditure</b>	<b>106 124 000</b>	<b>100 897 797.05</b>	<b>5 226 202.95</b>	<b>105 229 033.31</b>
<b>Development</b>				
<b>Capital Expenditure: Acquisition of assets</b>				
105. Feasibility studies, design and supervision	3 760 000	3 615 851.99	144 148.01	-
107. Construction, renovation and improvements	5 449 000	2 510 998.40	2 938 001.60	15 208 945.05
<b>Total: Development expenditure</b>	<b>9 209 000</b>	<b>6 126 850.39</b>	<b>3 082 149.61</b>	<b>15 208 945.05</b>
<b>GRAND TOTAL</b>	<b>115 333 000</b>	<b>107 024 647.44</b>	<b>8 308 352.56</b>	<b>120 437 978.36</b>

### 7.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2012/2013	More/(Less) than estimated	Actual revenue 2011/2012
	N\$	N\$	N\$	N\$
Private Telephone Calls	1 500	7 959.00	6 459.00	-
Unclaimed Cheques	1 200	-	(1 200.00)	-
Miscellaneous	100 000	1 099 493.66	99 493.66	496 507.32
<b>Total</b>	<b>102 700</b>	<b>1 107 452.66</b>	<b>1 004 752.66</b>	<b>496 507.32</b>

### 7.4 NOTES TO THE FINANCIAL STATEMENTS

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

##### Underexpenditure

##### **Main division 01: Legislative Management (N\$ 2 350 200.12 – 17.32%)**

The position of special Assistant to the Speaker is currently occupied by a staff member seconded to the Speaker's Office, while the position of Personal Assistant to the Speaker was also vacant and as a result only part of the budgeted amount for these positions were spent.

Provision was made for the replacement of obsolete and broken furniture and the procurement of new furniture for the Speaker and Deputy Speaker, which did not occur.

The underexpenditure for this subdivision was due to the cut in the size of the Speakers' delegations travelling abroad. In addition, the Speaker's outreach that was scheduled to take place during the financial year under review could not take place as planned, due to various unforeseen circumstances.

The total amount for Materials and Supplies has not been spent and thus the underexpenditure.

The Speaker's outreach that was scheduled to take place during the financial year under review could not take place as planned, hence the underexpenditure on Transport.

Furthermore, the assembly budgeted for the possibility of Bills and motions being referred to the Parliamentary Standing Committees, but no Bills and/or motions were referred to Committees during the period under review.

##### **Main division 02: Parliamentary Coordination and Support Services (N\$ 4 971 368.05 – 8.42%)**

The positions of Legal Officer in the Directorate Legal Services were earmarked to be converted into that of full Deputy Director because of the high staff turnover in the Directorate in previous years. Unfortunately, the said positions could not be converted while the scientific Job Evaluation and Grading System as part of the Public Service reward Management Policy was underway and thus the vacancies could not be filled for a considerable period. The position of Secretary to the Director could also not be filled for some time.

Provision was made for leave gratuity in the case of death and/or resignation, which did not occur.

## ANNEXURE A (Continued)

Funds has been budgeted for the possibility of Bills and motions being referred to the Parliamentary Standing Committees, but no Bills and/or motions were referred to Committees during the period under review. Similarly, the Division: Research, Publication and Editorial Services had planned to undertake civic education visits to schools in the Hardap, Karas and Kunene regions. The information of the envisaged visits to the regions was communicated to the relevant Directors of Education to get the necessary cooperation for the proposed visits, but unfortunately no responses were received from the Directors concerned. Since the Directorate inter alia delivers support services to both Committee Services and Information Services, the nonoccurrence of these had a negative impact on the overall budget utilization of the said component.

Due to the vacancies in the Directorate Legal Services, as had been indicated already, the only incumbent on its establishment could not use the allocated funds to the maximum.

Due to the budgeted vacancies not being filled, the allocated funds for Material and Supplies could not be spent. Furthermore, the ongoing renovations at the time that caused staff to consistently shift from one block to another and from one office to another, with the accompanying shortage of storage facilities, resulted in the money not being spent as planned.

The action Plan for the Directorate with regard to the Outreach Programmes was not executed fully, because some schools which were supposed to be visited did not respond to our outreach requests on time.

As was stated before, budgetary provision was made for the possibility of Bills and/or motions being referred to Committees during the period under review, which impacted negatively on the projected budget execution, since the relevant Directorates deliver support services to the Members of Parliament.

Due to the renovations and staff consistently having to shift from one block to the other and from one office to the other, the utilisations of utilities were drastically reduced. Secondly, an amount was budgeted for telephones and cell phones for staff that were supposed to be recruited during the financial year to fill the vacancies in the various Directorate/Divisions, but due to the delay in getting them on board there were no other option but to under spend.

As have been stated before, budgetary provisions were made for the possibility of Bills and motion being referred to Parliamentary Standing Committees, but no Bills and /or motions were referred to Committees during the period under review. When Bills are referred to Committees, there is a need to advertise for the upcoming hearings, as well as to obtain the required consultancy and other professional services. Another reason for the under spending is that the assembly hosted fewer foreign delegations than is usually the case.

This budget for Furniture and Office Equipment was over estimated.

A request was submitted to the Ministry of Works and Transport in November 2012 to appoint a consultant to undertake a feasibility study to start the process to erect a new Parliament Building. The consultant, however, only received his appointment letter on 19 February 2013. Although the feasibility study was duly completed, some of the subcontractors submitted their claims late, despite numerous requests to them to submit their invoices timely. These outstanding invoices then had to be paid in the new financial year.

A request was submitted to the Ministry of Works and Transport for the renovation of the SADC Parliament Forum Building. Although the Parliament Building Condition Survey was already completed in December 2012, a request to discuss the way forward was only received on the 22<sup>nd</sup> March 2013, by which time it was too late to go out on Tender. Similarly, the Ministry of Works and Transport was requested to assist this institution with the erection of a number of carports to protect newly acquired National Assembly vehicles from harsh Namibian elements. In this case also the estimate to undertake the work was also only received on 25 March 2013, by which time it was too late to go out on Tender and fully utilise the funds earmarked for the 2012/2013 financial year.

**Main-division 03: Information Services (N\$ 1 099 830.23 – 13.89%)**

Although two positions of Researcher were supposed to be filled by April 2012, there was a delay in obtaining the required recommendation and approval for the filling of the said positions; hence they only started on 1 of August 2012. The position for the System Administrator could not be filled although it was advertised, thus the underexpenditure on remuneration and contribution to GIPF.

A nominal amount of N\$ 10 000 was budgeted for Other Condition of Service, however, no expenses were incurred and thus the underexpenditure.

The Action Plan for the Division with regard to the Outreach Programmes was not executed fully, because some schools which were supposed to be visited did not respond to the outreach request on time. No Bills were referred to Parliamentary Committees during the period under review, although the assembly had budgeted for the possibility of Bills and motions being referred to Committees, since the Division inter alia also deliver research and library services to the Members of Parliament. The budget for Material and Supplies was over estimated.

The Action Plan for the Division with regard to the Outreach Programmes was not executed fully, because some schools which were supposed to be visited did not respond to the outreach request on time. No Bills were referred to the Parliamentary Committees during the period under review, although the assembly had budgeted for the possibility of Bills and motions being referred to Committees, since the Division inter alia also deliver research and library services to the Members of Parliament.

The budget for Utilities was over estimated. The budget for Maintenance expenses and Other Services and expenses was over estimated. The under spending on Furniture and Office Equipment came as a result of the renovation which took long to be completed. 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.

**8. GENERAL INFORMATION****8.1 Bursary and Study Assistance**

A total amount of N\$ 36 706 was spent on bursaries and study assistance for four (4) staff members during the year under review.

**8.2 Capital Projects**

The following was the Development Project of the National Assembly as reflected in the General Ledger and the Development Budget:

Project name	Approved total budget	Total expenditure 31/03/2012	Approved appropriation 2012/2013	Actual expenditure 2012/13	Total expenditure 31/03/2013	Expected year of completion
National Assembly: Renovation/Upgrading of Parliament Building	N\$ 38 602 000	N\$ 34 309 988.35	N\$ 9 209 000	N\$ 6 126 850.39	N\$ 40 436 838.74	31/03/2014
<b>TOTAL</b>	<b>38 602 000</b>	<b>34 309 988.35</b>	<b>9 209 000</b>	<b>6 126 850.39</b>	<b>40 436 838.74</b>	