



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL ASSEMBLY

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 National Assembly 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 NATIONAL ASSEMBLY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This report on the accounts of the National Assembly for the financial year ended 31 March 2015 is presented to the National Assembly in accordance with Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in State Finance Act, 1991 (Act 31 of 1991), as amended.

I have audited the accompanying financial statements of the National Assembly for the year ended 31 March 2015. These financial statements comprise the following statements submitted for the year ended:

- Appropriation Account;
- Standard Subdivisions;
- Departmental Revenue;
- Notes to the financial statements; and
- General information.

The appropriation account was 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.

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 the Section 12 and 13 of the State Finance Act, Act 31 of 1991 and relevant 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 Underexpenditure

The total budget of the entity was under spent with an amount of N\$ 26 008 165.43 (14.68 %).

The Accounting Officer should ensure that all planned activities are executed to avoid under spending.

1.4.2 Unauthorized expenditure

Although Treasury approvals were obtained to utilize certain expected savings for the defrayal of excess expenditure through virements during the year, four (4) operational sub divisions were exceeded with a total amount of N\$ 714 664.34. This amount is unauthorized in terms of Section 6 (a)(iii) of the State Finance Act.

The Accounting Officer should put control measures in place to avoid unauthorized expenditure.

1.5 ACKNOWLEDGMENT

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

1.6 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the National Assembly 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, 1991 (Act 31 of 1991).

In my opinion, the financial statements present fairly, in all material respects the financial position of the National Assembly as at 31 March 2015, and their financial performance and their receipts and payments 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**

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2014/2015						2013/2014
Service	N\$	Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percent-age	
	N\$	N\$	N\$	N\$	%	N\$
01. Legislative Management:						
Original budget	17 456 000					
Less: Virement	(1 375 000)	16 081 000	15 197 779.30	883 220.70	5.49	13 445 197.11
02. Parliament Coordination and Support Service:						
Original budget	103 465 000					
Less: Virement	(3 745 000)	99 720 000	75 124 734.85	24 595 265.15	24.66	54 604 904.49
03. Information Service:						
Original budget	12 567 000					
Less: Virement	(650 000)	11 917 000	11 507 053.83	409 946.17	3.44	7 878 802.61
04. Parliamentary Committee Service:						
Original budget	43 638 000					
Plus: Virement	5 770 000	49 408 000	49 288 266.59	119 733.41	0.24	39 683 724.28
Total		177 126 000	151 117 834.57	26 008 165.43	14.68	115 612 628.49

ANNEXURE A (Continued)

1.2 Standard subdivisions

Subdivision	2014/2015			2013/2014
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual-expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	51 232 000	50 933 882.56	298 117.44	40 594 776.82
002. Employer's contribution to the G.I.P.F.	8 003 000	7 360 939.80	642 060.20	5 263 486.52
003. Other conditions of service	3 440 000	3 496 021.25	(56 021.25)	3 423 182.30
Total	62 675 000	61 790 843.61	884 156.39	49 281 445.64
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	16 547 000	15 824 508.89	722 491.11	16 220 028.36
022. Materials and supplies	869 000	859 699.14	9 300.86	501 582.16
023. Transport	3 730 000	3 728 640.29	1 359.71	3 196 860.75
024. Utilities	7 149 000	6 798 894.39	350 105.61	7 340 318.46
025. Maintenance	700 000	658 415.35	41 584.65	442 728.46
027. Other services and expenses	8 726 000	7 766 175.13	959 824.87	6 323 135.09
Total	37 721 000	35 636 333.19	2 084 666.81	34 024 653.28
Current expenditure: Membership fees and subscriptions				
041. International	2 281 000	2 243 294.24	37 705.76	2 446 102.57
042. Domestic	15 000	5 563.19	9 436.81	4 995.34
Total	2 296 000	2 248 857.43	47 142.57	2 451 097.91
Total: Current expenditure	102 692 000	99 676 034.23	3 015 965.77	85 757 196.83
Subsidies, grants, contributions and other current transfers				
045. Public and departmental enterprises and private Industries	30 944 000	30 666 196.62	277 803.38	29 183 237.82
Total	30 944 000	30 666 196.62	277 803.38	29 183 237.82
Operational Capital expenditure				
101. Furniture and office equipment	7 080 000	7 020 608.19	59 391.81	172 202.34
Total	7 080 000	7 020 608.19	59 391.81	172 202.34
Total: Operational expenditure	140 716 000	137 362 839.04	3 353 160.96	115 112 636.99
Development:				
Capital Expenditure: Goods & other Services				
022. Materials and supplies	2 630 000	-	2 630 000.00	-
Total	2 630 000	-	2 630 000.00	-
Capital Expenditure: Acquisition of Assets				
105. Feasibility studies, design and supervision	26 610 000	12 108 170.35	14 501 829.65	-
107. Construction, renovation and Improvements	7 170 000	1 646 825.18	5 523 174.82	499 991.50
Total	33 780 000	13 754 995.53	20 025 004.47	499 991.50
Total: Development expenditure	36 410 000	13 754 995.53	22 655 004.47	499 991.50
GRAND TOTAL	177 126 000	151 117 834.57	26 008 165.43	115 612 628.49

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2014/2015	More/(Less) than estimated	Actual revenue 2013/2014
	N\$	N\$	N\$	N\$
Miscellaneous	50 000	24 468.23	(25 531.77)	192 878.66
Total	50 000	24 468.23	(25 531.77)	192 878.66

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: Legislative Management (N\$ 883 220.70-5.49 %)

An underexpenditure occurred due to the following reasons:

The main division had three vacant positions that could not be filled due to the political transitional period that was anticipated to take place on 20 March 2015. This resulted in an additional underexpenditure on employee/ employer' contribution for Government Institution Pension Fund and Social Security.

One planned activity of the Speaker, namely the official visit to the People's Republic of China could not take place due to unforeseen circumstances.

Budgetary provision was made for the official opening of the Sixth Parliament, however the activity was cancelled.

Main division 02: Parliamentary Coordination and Support Services (N\$ 24 595 265.15 - 24.66%)

An amount of N\$ 1 940 260.68 could not be spent due to the following reasons:

The main division had six (6) vacant positions of which four (4) were for Private Secretaries to Directors which could not be filled due to the fact that two (2) Directors positions were only filled towards the end of the financial year. As a result, Employer's contribution to Government Institution Fund could not be made.

Budgetary provision was made for leave gratuity in respect of unforeseen labour turnover; unfortunately no staff member exited the service and which led to the non-utilisation of the funds.

Considering that all vacancies were not filled during the year under review, this negatively affected the budget execution on Subsistence and Travelling which resulted in an under spending of approximately 30% of the appropriated amount.

Delay in submission of invoices by the Government Garage and other Suppliers were also one of the contributing factors to the main divisions under spending. In addition, the membership and subscription fees for domestic organisations were overestimated and this led to the under spending of funds as appropriated.

An amount of N\$ 22 655 004.47 could not be spent due to the following reasons:

The tender process for the renovation of Parliament Building and SADC-Forum projects could not be finalised until the end of the financial year.

Construction of the New Parliament Building could commence due to the second phase of feasibility studies and design that was undertaken.

Main-division 03: Information Services (N\$ 409 946.17 - 3.44%)

An amount of N\$ 409 946.17 could not be spent due to outstanding invoices for Information Technology (IT) equipment that were not submitted until the closing of the financial year and planned activities such as Public Education that was cancelled due to unforeseen circumstances.

2. GENERAL INFORMATION

2.1 Capital projects

The following were the Development Projects of the National Assembly:

Project name	Approved total cost of project	Total expenditure as at 31/03/2014	Approved appropriation 2014/2015	Actual expenditure 2014/2015	Total expenditure up to 31/03/2015	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
National Assembly: Renovation/Upgrading of Parliament Building	41 232 000	49 936 830.24	5 630 000	1 221 119.11	51 157 949.35	31/05/2016
Renovation and construction of SADC – Forum House	9 501 000	-	5 550 000	425 706.07	425 706.07	31/03/2017
Construction of new Parliament building	638 241 000	-	25 230 000	12 108 170.35	12 108 170.35	31/03/2018
Total	698 733 000	49 936 830.24	36 410 000	13 754 995.53	63 691 825.77	

2.2 Bursaries and Study Assistance

During the financial year under review, the National Assembly awarded bursaries and study assistance to seven (7) employees to a total amount of N\$ 124 499.

2.3 Tender Board Exemptions

Tender Board approved various exemptions from normal tender procedures to the value of N\$ 57 129 134.20 for the procurement of goods and services.

Exemption number	Description	Approved Exemption
		N\$
E1/25-1/2014	Subsistence and Travelling	16 547 000.00
E1/25-1/2014	Material and Supplies	926 000.00
E1/25-1/2014	Other services and expenses	3 656 000.00
E1/25-1/2014	Utilities	8 849 400.00
E1/25-1/2014	Maintenance Expenses	700 000.00
E1/25-1/2014	Membership fees	1 946 000.00
E1/25-1/2015	Supply of Goods, commodities and services	2 50 000.00
E1/25-1/2015	Procurement & supply of goods, commodities & services	874 734.20
E1/25-2/2014	Professional Computers	125 000.00
E1/25-2/2015	Security equipment	2 800 000.00
E1/25-3/2014	Fixing air condition & repairing water reticulation	18 330 000.00
E1/25-3/2014	Professional Computers	125 000.00
	Total	57 129 134.20

2.4 HIV/AIDS

The Accounting Officer reported expenditure amounting to N\$ 20 000 incurred by the National Assembly in respect of HIV/AIDS and other wellness activities.

2.5 Vehicle Accidents

Five (5) motor vehicle accidents occurred during the financial year under review, three (3) vehicles were repaired at a total cost of N\$ 19 644.75.

2.6 Equipment And Stock Taking

The Assembly has thirty one (31) stock points and stock taking was conducted at only five (5) points.

2.7 Suspense Accounts

The Assembly had balances on ten (10) suspense account as at 31 March 2015, three (3) with credit balances and seven (7) with debit balances.

Suspense Accounts	Balance as at 31 March 2015 Debit/(Credit)
	N\$
Receipts Suspense	402 644.49
S&T	(1 140 052.57)
Rejection Account	(12 321.60)
Bills Payable	1 370 982.00
Electronic Fund Transfer Clearing (EFT)	2 847.57
Social Security	162.00
Pension Funds (GIPF)	6 760.43
Standard Bank (Windhoek)	7 330.00
Bank Windhoek (Main Branch)	3 750.00
Debt Establishment	(3 750.00)

WINDHOEK, 16 October 2015

**FINDLEY S. HARKER
ACTING ACCOUNTING OFFICER**