



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL COUNCIL

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 Council 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 COUNCIL
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2012**

1. INTRODUCTION

1.1 Report

This report on the accounts of the National Council for the financial year ended 31 March 2012 is presented to the National Assembly in accordance with the terms of 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, 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.

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 the 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 Council 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 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 IDENTIFIED BY THE AUDIT

4.1.1 Expenditure

The total budget of the Council was underspent with an amount of N\$ 4 914 527.21 (9.1%). These funds or savings could have been used for other pressing needs in the Country.

If the Council wants to transfer funds between the main and/or subdivisions within the budget, Treasury approval should be obtained.

5. ACKNOWLEDGEMENT

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

6. EMPHASIS OF MATTER

Without qualifying my opinion, I draw attention 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 budget was underspent with 9%.

7. AUDIT OPINION

I certify that I have audited the financial statements of the National Council for the year ended 31 March 2012 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 fairly present the receipts and payments of Vote 11 for the year ended 31 March 2012, and in all material respects the receipts and payments have been applied for 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
269 Independence Avenue
Private Bag 13299
WINDHOEK

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\$	
01. Office of the Chairman:						
Original budget	8 588 000					
Plus: Virement	466 000	9 054 000	8 163 014.66	890 985.34	9.84	
					7 840 016.89	
02. Administration and Legislation:						
Original budget	42 697 000					
Plus: Virement	2 777 000	45 474 000	41 450 458.13	4 023 541.87	8.85	
					34 042 892.03	
Totals	54 528 000	49 613 472.79	4 914 527.21	9.01	41 882 908.92	

ANNEXURE A (Continued)

1.2 Standard subdivisions

Subdivision	2011/2012			2010/2011
	Authorized expenditure	Actual expenditure	Variations	Actual expenditure
			Under-expenditure/ (Excess)	
	N\$	N\$	N\$	N\$
<u>Operational</u>				
Current expenditure: Personnel				
001. Remuneration	25 822 000	23 353 641.40	2 468 358.60	21 684 511.65
002. Employer's contribution to the G.I.P.F.	3 033 000	2 669 011.37	363 988.63	2 569 130.92
003. Other conditions of service	296 000	99 344.87	196 655.13	190 777.22
Total	29 151 000	26 121 997.64	3 029 002.36	24 444 419.79
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	12 917 000	12 093 854.18	823 145.82	8 560 652.42
022. Materials and supplies	354 000	282 094.56	71 905.44	260 575.50
023. Transport	3 054 000	2 738 124.97	315 875.03	2 606 462.07
024. Utilities	3 068 000	2 949 224.43	118 775.57	1 626 627.77
025. Maintenance	571 000	473 765.79	97 234.21	1 305 907.45
027. Other services and expenses	2 626 250	2 531 731.18	94 518.82	2 416 019.60
Total	22 590 250	21 068 795.11	1 521 454.89	16 776 244.81
Current expenditure: Membership fees and subscriptions				
041. International	930 000	749 858.45	180 141.55	383 410.93
042. Domestic	2 750	2 730.43	19.57	2 535.59
043. Government Organizations	139 000	119 500.11	19 499.89	-
Total	1 071 750	872 088.99	199 661.01	385 946.52
Total: Current expenditure	52 813 000	48 062 881.74	4 750 118.26	41 606 611.12
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 054 000	1 023 741.14	30 258.86	276 297.80
102. Vehicles	527 000	526 849.91	150.09	-
Total: Capital expenditure	1 581 000	1 550 591.05	30 408.95	276 297.80
Total: Operational expenditure	54 394 000	49 613 472.79	4 780 527.21	41 882 908.92
<u>Development:</u>				
Capital expenditure: Goods and other services				
107. Construction renovation and improvements	134 000	-	134 000.00	-
Total: Development expenditure	134 000	-	134 000.00	-
GRAND TOTAL	54 528 000	49 613 472.79	4 914 527.21	41 882 908.92

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	2011/2012			2010/2011
	Estimate	Actual revenue	More/(Less) than estimated	Actual revenue
	N\$	N\$	N\$	N\$
Private telephone calls	1 500	-	(1 500.00)	-
Unclaimed cheques	1 200	-	(1 200.00)	-
Miscellaneous	100 000	77 654.77	(22 345.23)	179.04
Total	102 700	77 654.77	(25 045.23)	179.04

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.

Underexpenditure:

Main Division 01: Office of the Chairman (N\$ 890 985.34 – 9.84%)

The Office of the Chairman realized an underexpenditure as a result of positions that were not filled. This affected the budgeted allocation for the Employers Contribution to the Pension Fund (non-pensionable allowances) as well as other conditions of services.

Less activities related to the hosting of foreign delegations took place, as some of the planned exchange programmes/visits were cancelled from the side of the foreign delegations.

The underexpenditure on this main division occurred as a result of less demand for cleaning materials, computer and photocopy suppliers as anticipated and as well as cancellation of subscription fee.

Main Division 02: Administration and Legislation (N\$ 4 023 541.87 – 8.85%)

The underexpenditure occurred as a result of staff member's turnover during the financial year, which includes the unfilled vacancies on the establishment during the period. In addition, the budgeted position for Members of Parliament who became Deputy Ministers contributed to the under spending. This fact also affected the budgetary allocation for the Employer's Contribution to the Pension Fund.

Another underexpenditure occurred as a result of less than originally projected cost on stationery, books and publicity materials, cleaning materials, computer suppliers/stationery cancellation of subscription fees.

The National Council Chamber was renovated to make the building accessible to people living with disability.

The lift installation was completed only shortly before the end of 2011/2012 financial year and became operational in the next financial year. Due to this fact, the National Council did not utilize funds which were allocated for its retention.

The underexpenditure was as a result of not utilizing the budgetary allocation for three staff member's leave gratuity that was at pension age but they extended their services in Government.

2. GENERAL INFORMATION**2.1 Capital Projects**

The Council reported the following development project:

	Approved total budget	Total expenditure at 31/03/2011	Approved appropriation 2011/2012	Actual expenditure 2011/12	Total expenditure at 31/03/2012	Expected year of completion
Renovation and upgrading of the Chamber	N\$ 3 012 000	N\$ 203 282.63	N\$ 134 000.00	N\$ -	N\$ 203 282.63	31/03/2010

WINDHOEK, 2012-10-16

MS. PANDULENI N. SHIMUTWIKENI
SECRETARY: NATIONAL COUNCIL