



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL COUNCIL

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

1. INTRODUCTION

Report on Financial Statement

I have audited the accompanying financial statements of the National Council 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 (Act 31 of 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 & 13 of the State Finance Act, Act 31 of 1991 and legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 (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 our audit opinion.

4. AUDIT FINDINGS

4.1 Emphasis of Matters

I draw attention to the following matters:

4.1.1 Expenditure

The total budget of the Council amounted to N\$ 61 635 000 of which N\$ 51 605 877.43 was spend resulting in a saving of N\$ 10 029 122.57 (16.27%).

The Accounting Officer should implement proper measures to control the budget.

4.1.2 Subsistence and Travelling Advances

The Accounting Officer reported outstanding subsistence advances of N\$ 203 748.56 as on 31 March 2013 whereas the S & T Advance Suspense Account reflects an amount of N\$ 165 105.93.

The difference of N\$ 38 642.63 should be explained.

5. UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the National Council for the year ended 31 March 2013 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 2013, 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

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WINDHOEK
NAMIBIA

6. FINANCIAL STATEMENTS

6.1 Appropriation Account

2012/2013					2011/2012
Service	Authorized expenditure	Actual Expenditure	Variations		Actual expenditure
			Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	%	N\$
01. Office of the Chairman:					
Original budget	9 768 000				
Plus: Virement	35 000				
	9 803 000	8 701 437.91	1 101 562.09	11.24	8 163 014.66
02. Administration and Legislation:					
Original budget	51 867 000				
Less: Virement	(35 000)				
	51 832 000	42 904 439.52	8 927 560.48	17.22	41 450 458.13
Totals	61 635 000	51 605 877.43	10 029 122.57	16.27	49 613 472.79

6.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorized expenditure	Actual expenditure	Variations	Actual expenditure
			Under-expenditure/ (Excess)	
	N\$	N\$	N\$	N\$
Operational				
Current expenditure: Personnel				
001. Remuneration	25 726 000	24 552 238.93	1 173 761.07	23 353 641.40
002. Employer's contribution to the G.I.P.F.	3 015 000	2 839 211.27	175 788.73	2 669 011.37
003. Other conditions of service	516 000	(822 949.15)	1 338 949.15	99 344.87
Total	29 257 000	26 568 501.05	2 688 498.95	26 121 997.64
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	15 003 000	13 914 845.64	1 088 154.36	12 093 854.18
022. Materials and supplies	541 000	291 032.81	249 967.19	282 094.56
023. Transport	3 549 000	3 437 669.07	111 330.93	2 738 124.97
024. Utilities	3 741 000	1 740 342.02	2 000 657.98	2 949 224.43
025. Maintenance	1 721 000	201 627.41	1 519 372.59	473 765.79
027. Other services and expenses	3 767 000	3 444 462.84	322 537.16	2 531 731.18
Total	28 322 000	23 029 979.79	5 292 020.21	21 068 795.11
Current expenditure: Membership fees and subscriptions				
041. International	930 000	617 984.23	312 015.77	749 858.45
042. Domestic	8 000	2 993.47	5 006.53	2 730.43
043. Government Organizations	139 000	138 000.30	999.70	119 500.11
Total	1 077 000	758 978.00	318 022.00	872 088.99
Total: Current expenditure	58 656 000	50 357 458.84	8 298 541.16	48 062 881.74
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	1 979 000	566 065.95	1 412 934.05	1 023 741.14
102. Vehicles	800 000	484 119.15	315 880.85	526 849.91
Total: Capital expenditure	2 779 000	1 050 185.10	1 728 814.90	1 550 591.05
Total: Operational expenditure	61 435 000	51 407 643.94	10 027 356.06	49 613 472.79
Development:				
Capital expenditure: Goods and other services				
105. Feasibility studies, design and supervision	200 000	198 233.49	1 766.51	-
Total: Development expenditure	200 000	198 233.49	1 766.51	-
GRAND TOTAL	61 635 000	51 605 877.43	10 029 122.57	49 613 472.79

6.3 Departmental revenue

Revenue for the year is as follows:

Revenue Heading	2012/2013			2011/2012
	Estimate	Actual revenue	More/(Less) than estimated	Actual revenue
Miscellaneous	N\$ 100 000	N\$ 42 640.13	N\$ 57 359.87	N\$ 77 654.77
Total	100 000	42 640.13	57 359.87	77 654.77

6.4 Notes to the financial statements

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

Underexpenditure:

Main Division 01: Office of the Chairman (N\$ 1 101 562.09 – 11.24%)

The Office of the Chairman realized an under expenditure as a result of no expenditure for leave gratuity and severance allowance that was not incurred as estimated.

However, a small saving was realized due to the cancellation of official trips of the Chairperson of the National Council and National Council Session in the Regions.

The underexpenditure on this Main division occurred as a result of less demand for stationary and office supplies goods, cleaning materials, computer stationary and due to invoices not received from Government Garage.

Another underexpenditure occurred due to less than originally projected cost of water and electricity supply, telephone bills, photocopy hire, activities regarding Wellness, HIV/Aids programme and cost on repair of damaged equipment and furniture and the late submission of the Vice-chairperson's office furniture's request.

Main Division 02: Administration and Legislation (N\$8 927 560.48 – 17.22%)

The underexpenditure occurred as a result of staff member's turnover during this 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 under spending.

The under-expenditure was as a result of not utilizing the budgetary allocation for three staff members' leave gratuity. These staff members were at pension age but extended their services in Government.

The cancellation of the planned official trips which collided with the resumption of the National Council sessions and the National Council session in the regions.

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

Another under expenditure was as a result of not receiving debit acceptances from the Office of the Prime Minister and the National Assembly, less cost regarding the payment for telephone bills, photocopy hire, advertisements and less activities regarding Wellness, HIV/Aids programme.

A reduced claim on repair of damaged equipment and furniture. The Council could not fully implement the Electronic Chamber project due to insufficient time.

Less payments were processed for subscription fees as was intended and less demand for office furniture and equipment than originally projected. The Council had insufficient funds to purchase two vehicles as originally anticipated.

7. GENERAL INFORMATION

7.1 Capital Projects

The Council reported the following development project:

	Approved total budget	Total expenditure at 31/03/2012	Approved appropriation 2012/2013	Actual expenditure 2012/13	Total expenditure at 31/03/2013	Expected year of completion
Extension of Existing National Council Building	N\$ 200 000 000	N\$ 203 282.63	N\$ 200 000.00	N\$ 198 233.49	N\$ 401 516.12	31/03/2014

7.2 Deviation from normal Tender Board procedures

Tender Board approved three (3) Tender Board Exemptions to the value of N\$ 30 595 114.15.

Exemption No.	Exemption	Description	Exempted Amount	Actual expenditure 2012/2013	Difference
E1/26- 1/2012	Annual exemption	Subsistence and travel expenses	N\$ 15 003 000.00	N\$ 13 914 845.64	N\$ 1 088 154.36
		Material and supplies	541 000.00	291 032.81	249 967.19
		Transport	3 549 000.00	3 437 669.07	111 330.93
		Utilities	3 741 000.00	1 740 342.02	2 000 657.98
		Maintenance expenses	1 721 000.00	201 627.41	1 519 372.59
		Other services and expenses	3 767 000.00	3 444 462.84	322 537.16
		Membership fees	930 000.00	617 984.23	312 015.77
		Government Organizations	139 000.00	138 000.30	999.70
E1/26- 2/2012		Furniture and Office equipment	719 995.00	566 065.95	153 929.05
E1/26- 3/2012		Vehicles	484 119.15	484 119.15	-
Total			30 595 114.15	24 836 149.42	5 758 964.73

7.3 Suspense accounts

The Accounting Officer reported outstanding balances on four (4) suspense accounts as at 31 March 2013. Two (2) had debit balances and two (2) had credit balances. The following accounts were in excess of N\$ 100 000:

Account	Debit /(Credit)
	N\$
S & T Advance Suspense Account	165 105.93
Bills Payable	(2 252 304.56)
Electronic Fund Transfer Clearing Account (EFT)	(137 918.97)

WINDHOEK, 2013-12-19

MS. PANDULENI N. SHIMUTWIKENI
SECRETARY: NATIONAL COUNCIL