



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
NATIONAL COUNCIL  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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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 2014 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 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## TABLE OF CONTENT

1.	REPORT ON THE FINANCIAL STATEMENTS .....	1
1.1	INTRODUCTION .....	1
1.2	MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS .....	1
1.3	AUDITOR’S RESPONSIBILITY .....	1
1.4	KEY AUDIT FINDINGS .....	2
1.4.1	Underexpenditure .....	2
1.4.2	Deviation from normal Tender Board procedures .....	2
1.4.3	Non-submission of annual report statements .....	2
1.5	ACKNOWLEDGEMENT .....	2
1.6	UNQUALIFIED AUDIT OPINION .....	3

## ANNEXURE A

1.	AUDITED FINANCIAL STATEMENTS .....	4
1.1	Appropriation account .....	4
1.2	Standard subdivisions .....	5
1.3	Departmental revenue .....	6
1.4	Notes to the financial statements .....	6
2.	GENERAL INFORMATION .....	7
2.1	Bank Account .....	7
2.2	Deviation from normal Tender Board procedures .....	7
2.3	Vehicle accidents: Cost of damages to government property .....	7
2.4	Suspense accounts .....	8

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

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**1. REPORT ON THE FINANCIAL STATEMENTS**

**1.1 INTRODUCTION**

This report on the accounts of the National Council for the financial year ended 31 March 2014 is presented to the National Assembly in accordance with the terms of Article 127(2) of the Constitution of the Republic of Namibia and provisions set out in the State Finance Act, 1991 (Act 31 of 1991), as amended.

I have audited the accompanying financial statements of the National Council for the financial year ended 31 March 2014. These financial statements comprise the following statements submitted for the year then ended:

- Appropriation account;
- Standard subdivisions;
- Departmental revenue;
- Notes to the financial statements; and
- General information.

The appropriation accounts were submitted untimely by the Accounting Officer to the Auditor-General on 21 November 2014 in terms of Section 13 of the State Finance Act, 1991.

The financial statements, notes to the financial statements and general information provided 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 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 was underspent with an amount of N\$ 3 104 388.29 (4.14%).

It is recommended that the Accounting Officer should put measures in place to avoid underexpenditure and ensures that budgeted and planned activities are carried out timely.

### **1.4.3 Non-submission of annual report statements**

The Accounting Officer did not submit the annual statements on HIV/AIDS activities, Head office Register, Pension and Medical aid Scheme contributions for audit purposes as requested by the Auditor-General through Circular D12/2010.

It is recommended that in future the Accounting Officer should ensure that all requested annual report statements requested by the Auditor-General are submitted for audit purposes.

## **1.5 ACKNOWLEDGEMENT**

I would like to express my appreciation for the courtesy extended and assistance rendered by the staff of the National Council during the audit.

## **1.6 UNQUALIFIED AUDIT OPINION**

I certify that I have audited the financial statements of the National Council for the financial year ended 31 March 2014 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 Council as at 31 March 2014, and their financial performance and their cash flows 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 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**

## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2013/2014						2012/2013
Service		Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under-expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
<b>01. Office of the Chairman:</b>						
Original budget	10 603 000					
Less: Virement	(260 000)	10 343 000	10 089 001.72	253 998.28	2.46	8 701 437.91
<b>02. Administration and Legislation:</b>						
Original budget	64 394 000					
Plus: Virement	260 000	64 654 000	61 803 609.99	2 850 390.01	4.41	42 904 439.52
<b>Total</b>		<b>74 997 000</b>	<b>71 892 611.71</b>	<b>3 104 388.29</b>	<b>4.14</b>	<b>51 605 877.43</b>

## 1.2 Standard subdivisions

Subdivision	2013/2014			2012/2013
	Authorized expenditure	Actual expenditure	Variations	Actual expenditure
			Under-expenditure/ (Excess)	
	N\$	N\$	N\$	N\$
<b>Operational:</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	29 666 000	27 760 196.13	1 905 803.87	24 552 238.93
002. Employer's contribution to the G.I.P.F.	3 545 000	3 177 698.88	367 301.12	2 839 211.27
003. Other conditions of service	615 000	447 614.18	167 385.82	(822 949.15)
<b>Total</b>	<b>33 826 000</b>	<b>31 385 509.19</b>	<b>2 440 490.81</b>	<b>26 568 501.05</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	15 863 000	15 408 708.96	454 291.04	13 914 845.64
022. Materials and supplies	339 000	286 334.68	52 665.32	291 032.81
023. Transport	3 844 000	3 814 332.15	29 667.85	3 437 669.07
024. Utilities	4 139 000	4 126 222.51	12 777.49	1 740 342.02
025. Maintenance	793 000	784 537.13	8 462.87	201 627.41
027. Other services and expenses	4 773 000	4 745 091.56	27 908.44	3 444 462.84
<b>Total</b>	<b>29 751 000</b>	<b>29 165 226.99</b>	<b>585 773.01</b>	<b>23 029 979.79</b>
<b>Subsidies and other current transfers</b>				
041. Membership fees and subscription: International	729 000	689 389.82	39 610.18	617 984.23
042. Membership fees and subscription: Domestic	3 000	3 000.00	-	2 993.47
043. Government organizations	10 503 000	10 502 000.52	999.48	138 000.30
<b>Total</b>	<b>11 235 000</b>	<b>11 194 390.34</b>	<b>40 609.66</b>	<b>758 978.00</b>
<b>Total: Current expenditure</b>	<b>74 812 000</b>	<b>71 745 126.52</b>	<b>3 066 873.48</b>	<b>50 357 458.84</b>
<b>Capital expenditure: Acquisition of assets</b>				
101. Furniture and office equipment	185 000	147 485.19	37 514.81	566 065.95
102. Vehicles	-	-	-	484 119.15
<b>Total: Capital expenditure</b>	<b>185 000</b>	<b>147 485.19</b>	<b>37 514.81</b>	<b>1 050 185.10</b>
<b>Total: Operational expenditure</b>	<b>74 997 000</b>	<b>71 892 611.71</b>	<b>3 104 388.29</b>	<b>51 407 643.94</b>
<b>Development:</b>				
<b>Capital expenditure: Goods and other services</b>				
105. Feasibility studies, design and supervision	-	-	-	198 233.49
<b>Total: Development expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>198 233.49</b>
<b>GRAND TOTAL</b>	<b>74 997 000</b>	<b>71 892 611.71</b>	<b>3 104 388.29</b>	<b>51 605 877.43</b>



### 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	2013/2014			2012/2013
	Estimate	Actual revenue	More/(Less) than estimated	Actual revenue
	N\$	N\$	N\$	N\$
Miscellaneous	100 000	23 311.52	(76 688.48)	42 640.13
<b>Total</b>	<b>100 000</b>	<b>23 311.52</b>	<b>(76 688.48)</b>	<b>42 640.13</b>

### 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\$ 253 998.28 – 2.46%)

The Office of the Chairman realized an underexpenditure as a result of the following:

- (i) Positions that were filled by the assigned employees from the main division of Administration and Legislation received non-pensionable allowances, thus resulted to a underexpenditure.
- (ii) Less expenditure for leave gratuity and severance allowance incurred as estimated.
- (iii) Less demand for photocopy, stationery and cleaning materials and computer stationary than anticipated.
- (iv) Withdrawal for the purchases of furniture for the Chairman's residence and office.

##### Main Division 02: Administration and Legislation (N\$2 850 390.01 – 4.41%)

An unexpenditure under this main division occurred as a result of the following:

- (i) The staff turnover during the financial year, and Members of Parliament who became Deputy Ministers affected the budget allocation for the Employer's Contribution to GIPF.
- (ii) Less expenditure was incurred for leave gratuity for staff members who went on retirement.
- (iii) The cancellation of the planned official trips which collided with the resumption of the National Council sessions and other national obligations.
- (iv) Less costs on stationery, office suppliers, books and publicity materials.
- (v) Receiving of late invoices for processing the payment regarding the annual subscriptions for Electronic Law (JUTA) and due to the fluctuations of the exchange rates.
- (vi) Less demand for furniture and office equipment than originally projected.

## 2. GENERAL INFORMATION

### 2.1 Bank account

During the financial year under review, the National Council kept and operated the following bank account:

Name of account	Banking institution	Purpose of account	Balance at 31/03/2014
Parliament National Council	Nedbank	For depositing money and paying out expenses related for hosting the 44 <sup>th</sup> Common wealth Parliamentary Association (CPA) Africa Region Conference	N\$  224 250.64

### 2.2 Deviation from normal Tender Board procedures

The Tender Board approved deviations from normal Tender Board procedures for acquiring goods and services valued at N\$ 41 020 500 comprising of the following:

Exemption number	Description	Exempted amount	Actual expenditure	Difference
		N\$	N\$	N\$
E1/26-1/2013	Subsistence and travel allowance	15 863 000	15 408 708.96	454 291.04
	Materials and Supplies	339 000	286 334.68	52 665.32
	Transport	3 844 000	3 814 332.10	29 667.90
	Utilities	4 139 000	4 126 222.51	12 777.49
	Maintenance expenses	793 000	784 537.13	8 462.87
	Other services and expenses	4 773 000	4 745 091.56	27 908.44
E1/26-2/2013	Membership fees and subscription	729 000	689 389.82	39 610.18
	Government organizations	10 503 000	10 502 000.52	999.48
	Office furniture and equipment	37 500	-	37 500.00
<b>Total</b>		<b>41 020 500</b>	<b>40 356 617.28</b>	<b>663 882.72</b>

### 2.3 Vehicle accidents: Cost of damages to Government property

Two (2) vehicle accidents were reported for the year under review and both were repaired at a cost of N\$ 9 923.95.

## 2.4 Suspense accounts

The following Suspense accounts had balances as at 31 March 2014.

<b>Description</b>	<b>Balance as at 31/03/2014 Debit/(Credit)</b>
S&T advance suspense account	N\$ 27 609.23
Rejection account	(3 053.85)
Bills payable	(317 918.69 )

WINDHOEK, 2014-11-20

**MS. PANDULENI N. SHIMUTWIKENI**  
**SECRETARY: NATIONAL COUNCIL**