



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE  
NATIONAL PLANNING COMMISSION**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

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**TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY**

I have the honour to submit herewith my report on the accounts of the National Planning Commission for the financial year ended 31 March 2010 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, February 2011**

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



**REPORT OF THE AUDITOR-GENERAL  
ON THE ACCOUNTS OF THE  
NATIONAL PLANNING COMMISSION  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2010**

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**1. INTRODUCTION**

**1.1 Report**

This report on the accounts of the National Planning Commission for the financial year ended 31 March 2010 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.

**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 general information supplied by the Accounting Officer are attached as Annexure A.

**3. SCOPE OF THE AUDIT**

**3.1** The Accounting Officer 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 the 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 misstatements, 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 Unauthorised expenditure

The under-mentioned unauthorised expenditure occurred during the financial year and is reported as such in terms of Section 27(6)(a) of the State Finance Act, 1991.

(i) Although Treasury approval was obtained to utilise certain expected savings for defrayal of excess expenditure by means of virements during the year, four (4) subdivisions were exceeded with a total amount of N\$ 64 026.76. This excess expenditure is contrary to the stipulations of Section 6(a)(iii) of the Act.

It is recommended that in future the Accounting Officer should explain the causes of any unauthorized expenditure as defined in Section 1 of the Act and why the excess was not avoided by a timeous authorization for virements and/or requests for special authority from the Ministry of Finance in terms of Section 9(1)(b) of the State Finance Act, 1991.

###### 4.1.2 Virements

Differences were detected between the virements as reported by the Accounting Officer and the virements in the Appropriation account prepared by the Ministry of Finance and they were as follows:

Main divisions	Appropriation Accounts	Virements Statement from NPC	Difference
	N\$	N\$	N\$
2601	280 000	300 000	(20 000)
2602	(480 000)	(594 000)	114 000
2605	-	94 000	(94 000)

It is recommended that the Accounting Officer should see to it that the correct virement amounts from the Ministry of Finance is passed through to the Appropriation accounts and that the financial statement prepared should reflect these amounts.

###### 4.1.3 Subsistence and travelling advances

According to the DSA statement from the Commission, an amount of N\$ 176 467.89 was outstanding on advances as at 31 March 2010. The suspense account indicates a debit balance of N\$ 394 339.24 which leaves a difference of N\$ 217 871.35 which must be explained by the Accounting Officer.

#### 4.1.4 Suspense accounts

The Commission had outstanding balances on seven (7) suspense accounts at the end of the financial year, of which four (4) had debit balances and three (3) with credit balances.

The following suspense accounts had balances of more than N\$ 100 000.00 as at March 2010:

Description	Debit/(Credit)
	N\$
S&T Advance Suspense Account	394 339.24
Rejection Account	(9 433 309.07)
Bills Payable	(7 790 825.02)

It is recommended once again that the Accounting Officer should take the necessary steps to reconcile all suspense accounts at all times in order to clear or reduce the balances of suspense accounts to a reasonable level by the end of each financial year and reconcile its records with Ministry of Finance on a regular basis in order to avoid the differences.

#### 4.1.5 Departmental Revenue

The Accounting Officer did not provide explanations for the revenue items exceeding N\$ 100 000 which is contravenes the Auditor-General Circular D12/2010.

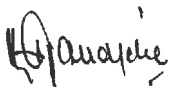
### 5. ACKNOWLEDGEMENT

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

### 6. AUDIT OPINION

I certify that I have audited the financial statements of the National Planning Commission for the year ended 31 March 2010 in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, Act 31 of 1991.

In my opinion the financial statements fairly represent the receipts and payments of Vote 15 for the year ended 31 March 2010, and in all material respects the receipts and payments have been applied for the purpose intended by the National Assembly and conform to the authorities which govern them.



**JUNIAS ETUNA KANDJEKE**  
**AUDITOR-GENERAL**

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**269 Independence Avenue**  
**Private Bag 13299**  
**WINDHOEK**  
**NAMIBIA**

## 1. FINANCIAL STATEMENTS

## 1.1 Appropriation account

2009/2010						2008/2009
Services	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent-age		
<b>01. Administration</b>	N\$	N\$	N\$	N\$	%	N\$
Original budget	11 284 000					
Plus: Virement	280 000	11 564 000	9 891 638.36	1 672 361.64	14.46	9 287 356.18
<b>02. Development</b>						
<b>Planning:</b>						
Original budget	23 368 000					
Less: Virement	(480 000)	22 888 000	12 901 331.86	9 986 668.14	43.63	8 260 740.27
<b>03. Development</b>						
<b>Co-operation:</b>						
Original budget		7 582 000	5 980 814.84	1 601 185.16	21.12	8 294 873.19
<b>04. Central Bureau of</b>						
<b>Statistics:</b>						
Original budget	50 753 000					
Plus: Virement	200 000	50 953 000	46 097 180.24	4 855 819.76	9.53	34 464 312.27
<b>05. Information</b>						
<b>System Centre:</b>						
Original budget		5 541 000	3 013 328.25	2 527 671.75	45.62	2 593 547.52
<b>TOTAL</b>		<b>98 528 000</b>	<b>77 884 293.55</b>	<b>20 643 706.45</b>	<b>20.95</b>	<b>62 900 829.43</b>



## 1.2 Standard subdivisions

	2009/2010			2008/2009
	Authorized expenditure	Actual expenditure	Under expenditure	Actual expenditure
	N\$	N\$	N\$	N\$
<b>Operational</b>				
<b>Current expenditure: Personnel</b>				
001. Remuneration	26 131 000	22 953 144.60	3 177 855.40	19 284 699.19
002. Employer's contribution to staff's pension fund	3 014 000	2 706 676.10	307 323.90	2 242 891.02
003. Other conditions of service	607 000	428 244.86	178 755.14	232 676.18
<b>Total</b>	<b>29 752 000</b>	<b>26 088 065.56</b>	<b>3 663 934.44</b>	<b>21 760 266.39</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	5 372 500	4 278 213.28	1 094 286.72	4 717 660.16
022. Materials and supplies	1 197 000	760 915.23	436 084.77	443 639.35
023. Transport	1 456 000	1 347 104.96	108 895.04	765 301.14
024. Utilities	2 540 000	1 656 438.70	883 561.30	1 325 185.37
025. Maintenance	1 877 500	831 275.03	1 046 224.97	641 066.68
027. Other services and expenses	9 690 000	7 175 624.05	2 514 375.95	6 641 954.50
<b>Total</b>	<b>22 133 000</b>	<b>16 049 571.25</b>	<b>6 083 428.75</b>	<b>14 534 807.20</b>
<b>Subsidies and current transfers</b>				
044. Individual and non-profit organisations	170 000	-	170 000.00	-
<b>Total</b>	<b>170 000</b>	<b>-</b>	<b>170 000.00</b>	<b>-</b>
<b>Total: Current expenditure</b>	<b>52 055 000</b>	<b>42 137 636.81</b>	<b>9 917 363.19</b>	<b>36 295 073.59</b>
<b>Operational Capital expenditure: Acquisition of capital assets</b>				
101. Furniture and office equipment	1 473 000	488 162.32	984 837.68	186 459.15
<b>Total: Capital expenditure</b>	<b>1 473 000</b>	<b>488 162.32</b>	<b>984 837.68</b>	<b>186 459.15</b>
<b>Total: Operational expenditure</b>	<b>53 528 000</b>	<b>42 625 799.13</b>	<b>10 902 200.87</b>	<b>36 481 532.74</b>
<b>Development</b>				
<b>Capital Expenditure: Goods and other services</b>				
022. Materials and supplies	1 316 401	1 279 750.34	36 650.66	82 665.06
027. Other services and expenses	41 683 599	33 336 154.08	8 347 444.92	11 927 713.20
<b>Total</b>	<b>43 000 000</b>	<b>34 615 904.42</b>	<b>8 384 095.58</b>	<b>12 010 378.26</b>
<b>Capital expenditure: Acquisition of capital assets</b>				
101. Furniture and office equipment	100 000	7 590.00	92 410.00	26 151.15
102. Vehicle	-	-	-	4 542 578.30
103. Operational equipment, machinery & plants	900 000	-	900 000.00	8 758 980.89
105. Feasibility studies, design & supervision	1 000 000	635 000.00	365 000.00	1 081 208.09
<b>Total:</b>	<b>2 000 000</b>	<b>642 590.00</b>	<b>1 357 410</b>	<b>14 408 918.43</b>
<b>Total: Development expenditure</b>	<b>45 000 000</b>	<b>35 258 494.42</b>	<b>9 741 505.58</b>	<b>26 419 296.69</b>
<b>Grand Total</b>	<b>98 528 000</b>	<b>77 884 293.55</b>	<b>20 643 706.45</b>	<b>62 900 829.43</b>

### 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2009/2010	More/(Less) than estimated	Actual revenue 2008/2009
	N\$	N\$	N\$	N\$
Sale of planning reports	51 554	215 700.00	164 146.00	59 600.00
Sales of statistical documents	38 069	28 788.00	(9 281.00)	15 724.00
Private telephone calls	4 171	87.12	(4 083.88)	10.26
Miscellaneous	38 545	181 737.31	143 192.31	85 813.58
<b>TOTAL</b>	<b>132 339</b>	<b>426 312.43</b>	<b>293 973.43</b>	<b>161 147.84</b>

### 1.4 Bank accounts

The Commission operated the following separate bank accounts during the year under review:

Name of account	Name of bank	Balance at 31/03/2010
National Population Housing Census 2001	Nedbank	1 008 364.73
Stannic Fleet Management - NPC Transport	Standard Bank	197 711.98
Ohangwena Poverty Reduction Action	Nedbank	1 070 356.99
NPC/WB-PPP HIV/AIDS	Standard Bank	-386.02
NPC-EX-ANTE Project Appraisal	Standard Bank	40 497.82
Personnel and Consultancy Project	Nedbank	1 032 735.22
NPCS/ACBF-National Capacity Building Project	Standard Bank	13 032.31
NPC Capacity Building Programme	First National Bank	2 218 847.23
Namibia German Special Initiative Projects	First National Bank	3 882 254.85
NAM4P101 Strengthening Statistical Services	Nedbank	398 635.56

### 1.5 Notes to the financial statements

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

##### Underexpenditure

##### Main division 01- Administration (N\$1 672 361.64 – 14.46 %)

An under expenditure of N\$ 71 611.40 on remuneration is attributed due to six (6) none filling of posts.

An under expenditure of N\$ 103 257.43 on travels and subsistence allowance is attributed by the fact that the amount budgeted was not enough during the period under review. Under expenditure was identified through virement authorisation (20/1/2/1/26) VR09/118 and funds were approved towards the end of March 2010. The approved funds was not fully utilised due to few activities that were to be undertaken before 31 March 2010.

An under expenditure of N\$ 206 951.42 on utilities is attributed due to over-estimation during the period under review.

An under expenditure of N\$ 388 271.29 on maintenance expense is realised due to over-estimation during the period under review.

An under expenditure of N\$ 762 994.81 on other services and expense was brought about by the late approval of virement in March 2010, which resulted in the delay of the planned activities such as training.

An under expenditure of N\$ 51 994.81 on furniture and office equipment was attributed due to non-payment for annual maintenance fees and licence fees purchased through Microsoft Enterprise Agreement.

#### **Main division 02 – Development planning (N\$ 9 986 668.14- 43.63%)**

An under expenditure of N\$ 598 096.61 on remuneration is attributed due to ten (10) none filling of posts.

During budget estimate, the salary system is automatically generating figures for the Employers Contributions to G.I.P.F. As a result an under expenditure under remuneration sub code automatically resulted in under-expenditure of N\$ 40 986.52 of the Employers Contribution to G.I.P.F.

An underspending of N\$ 87 214.95 on travels and subsistence allowance was attributed to the fact that some trips were not undertaken due to the late virement approval in March 2010.

An under expenditure of N\$ 26 893.23 on material and supplies was attributed by cancellation of outstanding commitments due to Government Stores delays invoicing for services rendered and payment was only done in the current financial year.

An under expenditure of N\$ 43 262.47 on transport was attributed by cancellation of outstanding commitments due to Government Garage delays invoicing for service rendered and payment was only done in the next financial year.

An under expenditure of N\$ 93 824.51 on utilities is attributed by overestimation.

An under expenditure of N\$ 71 045.90 on maintenance expenses was attributed by overestimation.

An under expenditure of N\$ 768 605.36 on other services and expense was brought about the delay in the execution of planned activities such as training and consultancy services not provided for implementation.

An under expenditure of N\$ 7 658 862.53 on other service and expense was realised due to the National Monitoring, Reporting and Evaluation System project that was not executed due to the delay experienced in finalising the contract agreement.

An amount of N\$ 170 000 on membership fees and subscription international was not utilised due to the delay in invoicing from IDEP were NPC is a subscribed member.

An under expenditure of N\$ 90 000 on furniture and office equipment was attributed due to non-payment for annual maintenance fees and licence fees purchased through Microsoft Enterprise Agreement.

An under expenditure of N\$ 365 000 on feasibility studies, design and supervision was attributed to the fact that only two (2) tender bidders submitted their request for funding of their feasibility studies.

An over-expenditure of N\$27 123.94 on other conditions of service was attribution by the amount budgeted for the Leave Gratuity was under-estimated.

### **Main division 03 – Development Co-operation (N\$ 1 601 185.16 – 21.12%)**

An under expenditure of N\$ 703 226.06 on remuneration was attributed due to six (6) none filling posts.

During budget estimate, the salary system was automatically generating figures for the Employers Contributions to G.I.P.F. As a result an under expenditure under remuneration sub code automatically results in under-expenditure of N\$ 76 201.64 of the Employers Contribution to G.I.P.F.

An under expenditure of N\$ 81 767.42 on travels and subsistence allowance was attributed to the fact that the amount budgeted was not enough during the period under review. Under expenditure was identified through virement authorisation (20/1/2/1/26) VR09/118 which was approved towards the end of March 2010, which was late for the funds to be fully utilised.

An under expenditure of N\$ 31 861.78 on material and supplies was attributed to cancellation of outstanding commitments due to Government Stores delays by invoicing for service rendered and payment was only done in the next financial year.

An under expenditure of N\$ 33 531.03 on transport was attributed to cancellation of outstanding commitments due to Government Garage delays invoicing for services rendered and payment was only done in the current financial year.

An under expenditure of N\$ 2 874 967.71 on utilities was attributed to the mobilisation of donor resources to fund utility services.

An under expenditure of N\$ 186 946.15 on maintenance expenses was attributed to the mobilisation of donor resources to fund utility services.

An under expenditure of N\$ 158 713.67 on other services and expenses is attributed to the delay in the execution of planned activities such as training.

An under expenditure of N\$ 53 765.36 on furniture and office equipment was attributed to late approval of a virement in March 2010.

### **Main division 04 - Central Bureau of Statistics (N\$ 4 855 819.76 - 9.53%)**

An under expenditure of N\$ 741 064.23 on remuneration was attributed to thirteen (13) none filling of the post.

An under expenditure of N\$ 191 146.20 on other conditions of service was attributed to the resignation of a staff member from the Central Bureau Statistics.

An under expenditure of N\$ 638 612.07 on travels and subsistence allowance was attributed to many virements approved and less activities been undertaken under the project 2009/2010 Namibia Household Income and Expenditure Survey.

An under expenditure of N\$ 138 637.68 on materials and supplies was attributed to the cancellation of outstanding commitments as a result of invoicing from Government Stores for services rendered and payments were only done in the 2010/2011 financial year.

An under expenditure of N\$ 23 424.67 on materials and supplies was attributed to late commencement of 2011 Population and Housing Census project. Another under expenditure of N\$ 13 226.43 was attributed to less activities been undertaken in the Namibia Household Income and Expenditure Survey.

An under expenditure of N\$ 9 965.93 on transport was attributed to late approval of virement funds in March 2010.

An under expenditure of N\$ 184 184.12 on utilities was attributed to the late approval of virement funds in March 2010.

An under expenditure of N\$ 367 965.76 on maintenance expenses was attributed to an unrealisation by the Central Bureau Statistics of maintenance expense provision made by them by the Information System Centre Division.

An under expenditure of N\$ 476 911.18 on other services and expenses was attributed to the funds which were budgeted for consultancy services but were not utilised due to the fact that tender procedures took long. As a result, the main division made use of the funds from UNDP, UNFPA and Lux-Development funds.

An under expenditure of N\$ 609 976.52 on other services and expense was attributed to the delay in recruiting temporary staff members due to the fact that suitable candidates could not be found. Another under expenditure of N\$ 76 823.75 was attributed to the resignation of some temporary staff members.

An under expenditure of N\$ 392 424.23 on furniture and office equipment was attributed to the non-payment of licenses purchased through Microsoft Enterprise Agreement and also the non-payment of maintenance fees.

An under expenditure of N\$ 900 000 on operational equipment, machinery and plant is attributed to non-purchasing of the required operational machinery.

**Main division 05 - Information System Centre (N\$ 2 527 671.75 - 45.62)**

An under expenditure of N\$ 1 063 857.10 on remuneration was attributed to five (5) none filling of the posts.

An under expenditure of N\$ 50 000 on other condition of services was attributed to the overestimation of leave gratuity as only one staff member resigned during the financial year under review.

An under expenditure of N\$ 183 434.85 on travel and subsistence allowance was attributed to a few training workshops and symposiums been done in the absence of a Deputy Director who is the head of the Information System Centre.

An under expenditure of N\$ 138 980.68 on material and supplies was attributed to the cancellation of outstanding commitments as a result of late invoicing from Government Stores and payment was only made in the 2010/2011 financial year.

An under expenditure of N\$ 6 941.61 on transport was attributed to the cancellation of outstanding commitments as a result of late invoicing from Government Garage and payment was only done in the 2010/2011 financial year.

An under expenditure of N\$ 113 632.54 on utilities was attributed to the over estimation of utility services.

An under expenditure of N\$ 145 628.41 on maintenance expenses was attributed to an over estimation on maintenance expense.

An under expenditure of N\$ 347 668.69 on other services and expense was attributed to none implementation and execution on planned activities.

An under expenditure of N\$ 489 063.28 on furniture and office equipment was attributed to the late approval of virement funds in March 2010 and things like a computer server could not be procured.

## 2. GENERAL INFORMATION

### 2.1 Development/Capital projects

The following are the estimates and actual expenditures on the development projects:

Nature of project	Approved total budget	Approved appropriation 2009/2010	Total expenditure at 31/03/2009	Actual expenditure 2009/2010	Total expenditure at 31/03/2010	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
National Monitoring, Reporting and Evaluation System	21 000 000	8 000 000	34 412 156.68	341 137.47	34 753 294.15	31 March 2012
Feasibility Study Project	8 000 000	1 000 000	8 141 230.59	635 000.00	8 776 230.59	31 March 2015
Implementation of Geographical Information System (GIS) in Regions	32 400 000	7 800 000	7 938 605.69	7 798 218.32	15 736 824.01	31 March 2014
Population and Housing Census	68 688 000	6 900 000	6 350 000.00	6 266 598.81	12 616 598.81	31 March 2014
Namibia Household Income and Expenditure Survey	53 420 000	21 300 000	13 237 689.20	20 217 539.82	33 455 229.02	31 March 2014
<b>Total</b>	<b>183 508 000</b>	<b>45 000 000</b>	<b>70 079 682.16</b>	<b>35 258 494.42</b>	<b>105 338 176.60</b>	

## 2.2 Exemption from normal Tender Board procedures

Variances were detected between the statement prepared by the Accounting Officer and the General Ledger on the following expenditure items:

Description	Approved Tender Board Exemption	Actual Expenditure	Difference
<b>Operational Expenditure</b>			
	N\$	N\$	N\$
021 Travel and Subsistence Expenses	3 646 000	4 247 581.13	(601 581.13)
022 Materials and Supplies	1 269 000	760 915.23	508 084.77
023 Transport	1 483 000	1 120 440.89	362 559.11
024 Utilities	3 659 000	1 596 773.36	2 062 226.64
025 Maintenance Expenses	2 180 000	831 275.03	1 348 724.97
027 Other Services and Expenses	10 000 000	7 173 649.05	2 826 350.95
<b>Sub-Total</b>	<b>22 237 000</b>	<b>15 730 634.69</b>	<b>6 506 365.31</b>
<b>Development Expenditure</b>			
022 Materials and Supplies	2 000 000	1 279 750.34	720 249.66
027 Other Services and Expenses	33 000 000	33 336 154.08	(336 154.08)
101 Furniture and Office equipment	-	7 590.00	(7590.00)
105 Feasibility Studies, Design and Supervision	-	635 000.00	(635 000.00)
<b>Sub-Total</b>	<b>35 000 000</b>	<b>35 258 494.42</b>	
<b>Total</b>	<b>57 237 000</b>	<b>50 989 129.11</b>	<b>720</b>

WINDHOEK, 2010-10-18

ANDRIES L. HUNGAMO  
ACCOUNTING OFFICER

