



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE

NATIONAL PLANNING COMMISSION

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 Planning Commission 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, February 2013

**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 2012**

1. INTRODUCTION

1.1 Report

This report on the accounts of the National Planning Commission for the financial year ended 31 March 2012 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 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 was underspent with an amount of N\$ 9 201 778.54 (3.3%).

However, 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.

Although Treasury approval was obtained to utilise certain expected savings for defrayal of excess expenditure by means of virements during the year, six (6) subdivisions were exceeded with a total amount of N\$ 923 035.20. This excess expenditure is contrary to the stipulations of Section 6(a)(iii) of the Act.

It is recommended that 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 Minister of Finance in terms of Section 9(1)(b) of the State Finance Act, 1991.

4.1.2 Virements

Differences were noted between the virements authorised by Treasury also (reported by the Accounting Officer) and the virements processed to the Appropriation account:

Main divisions	Virements processed	Authorised Virements	Difference
	N\$	N\$	N\$
2601	(2 523 745)	(3 409 000)	885 255
2602	(12 610 000)	(2 664 000)	(9 946 000)
2603	(6 814 690)	(6 765 000)	(49 690)
2604	22 813 435	14 473 000	8 340 435
2605	(865 000)	(1 635 000)	770 000

It is recommended that the Accounting Officer should see to it that the approved virements are processed to the Appropriation account.

4.1.3 Subsistence and travelling advances

According to the DSA debit balance list from the Commission, an amount of N\$ 36 776.09 was outstanding on advances as at 31 March 2012. The suspense account indicates a debit balance of N\$ 235 217.11 which leaves a difference of N\$ 198 441.02 which must be explained by the Accounting Officer.

From the N\$ 36 776.09 on the debit balance list, an amount of N\$ 21 354.00 was outstanding for more than 30 days, which contradicts Treasury Instruction HB0505 and HB0506 that states that “*where a person neglected to submit a claim for subsistence and other anticipated expenditure within 30 days after s/he returned to his headquarters, the outstanding amount on an advance against his claims shall be deducted monthly from his/her salary starting from the next month*”.

4.1.4 (i) Departmental revenue

During the statement verifications, variances were noted between the revenue statement as reported by the Accounting Officer and the General Ledger prepared by the Ministry of Finance. The variances are listed below:

Revenue heading	Actual revenue as per revenue ledger	Actual revenue (NPC)	Differences
	N\$	N\$	N\$
Sale of planning reports	3 600.00	5 030.00	(1 430.00)
Sales of statistical documents	6 164.00	5 139.00	1 025.00
Miscellaneous	477 992.17	19 020.00	458 972.17
TOTAL	487 756.17	29 189.00	458 567.17

It is therefore recommended that the Commission should reconcile its records on a regular basis.

(ii) Miscellaneous revenue

Miscellaneous revenue has a variance exceeding N\$ 100 000 which was not explained by the Accounting Officer. See paragraph 1.3 Departmental revenue.

It is recommended that explanations be provided for revenue which exceeds N\$ 100 000, as required in Circular D12/2010 of the Auditor-General.

4.1.5 Capital projects

Variances were noted between the statement prepared by the Accounting Officer and the General Ledger on the following projects:

Description	Actual expenditure during 2011/12		
	NPC statement	General Ledger	Difference
	N\$	N\$	N\$
2011 Population and Housing Census	172 917 269.67	173 616 657.61	(699 388.00)
Implementation of Geographical Information System (GIS) in Regions 2009/2010	5 498 439.56	5 496 639.56	1 800.00
Namibia Household Income and Expenditure Survey	9 717 857.96	9 695 728.53	22 129.43
Total	188 133 567.19	188 809 025.70	(675 458.51)

It is once again recommended that the Accounting Officer should reconcile its records before submitting them to the Auditor-General for audit purposes.

4.1.6 Deviation from normal tender procedures

(i) Actual expenditure

A total amount of N\$ 248 556 948.00 was approved for exemptions from normal Tender Board procedures at 31 March 2012 but the Accounting Officer did not submit the actual expenditure amount for exemption number E1/22-1/2011 and E1/22-3/2011 as required by Circular D12/2010 of the Auditor-General.

It is recommended that the Accounting Officer should put measures in place in order to account for the exemptions and submit the total actual expenditure on each of the exempted amounts for audit purposes.

(ii) Population and Housing Census (E1/22-3/2011)

An unexplained difference to the amount of N\$ 16 580 812 was noted between the approved Tender Board amount of N\$ 36 092 948 and the amount reported by the Accounting Officer as N\$ 19 512 136. The exemption was in respect of the renting and procurement of goods and services during the process of implementing the 2011 Population and Housing census.

It is recommended that the Accounting Officer should reconcile its records before submitting them to the Auditor-General for audit purposes.

(iii) Approved annual exemption amounts (E1/22-2/2011)

The following exemption amounts were exceeded as follows:

Description	Approved exemption amount	Actual expenditure	Variance
	N\$	N\$	N\$
Operational expenditure			
027 Other services and expenses	7 805 000	14 989 095	(7 184 095)
Development expenditure			
027 Other services and expenses	165 393 000	176 459 515	(11 066 515)
Total	173 198 000	191 448 610	(18 250 610)

It is recommended that the Commission should ensure that the actual expenditure do not exceed the approved exemption amounts.

5. ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the National Planning Commission 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 4.1.2 – Virements: Differences noted between virements authorised by Treasury and those processed to the Appropriation Account.

7. AUDIT OPINION

I certify that I have audited the financial statements of the National Planning Commission 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, Act 31 of 1991.

In my opinion the financial statements fairly represent the receipts and payments of Vote 26 for the year ended 31 March 2012, 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

OFFICE OF THE AUDITOR-GENERAL
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Private Bag 13299
WINDHOEK
NAMIBIA

1. FINANCIAL STATEMENTS

1.1 Appropriation account

2011/2012						2010/2011
Services	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
01. Administration	N\$	N\$	N\$	N\$	%	N\$
Original budget	18 674 000					
Less: Virement	(2 137 618)	16 536 382	13 161 447.70	3 374 934.30	20.41	9 379 020.04
02. Development						
Planning:						
Original budget	26 003 000					
Less: Virement	(12 095 065)	13 907 935	12 423 363.76	1 484 571.24	10.67	11 955 965.40
03. Development						
Co-operation:						
Original budget	33 882 000					
Less: Virement	(6 212 670)	27 669 330	25 265 172.27	2 404 157.73	8.69	25 827 480.18
04. Central Bureau of						
Statistics:						
Original budget	192 330 000					
Plus: Virement	23 242 787	215 572 787	215 143 186.44	429 600.56	0.20	68 621 383.06
05. Information						
System Centre:						
Original budget	5 788 000					
Less: Virement	(650 618)	5 137 382	3 628 867.29	1 508 514.71	29.36	3 156 983.33
TOTAL		278 823 816	269 622 037.46	9 201 778.54	3.3	118 940 832.01

ANNEXURE A (continued)

1.2 Standard subdivisions

	2011/2012			2010/2011
	Authorized expenditure	Actual expenditure	Under expenditure / (Excess)	Actual expenditure
Operational	N\$	N\$	N\$	N\$
Current expenditure: Personnel				
001. Remuneration	37 768 446	31 619 437.72	6 149 008.28	25 712 139.56
002. Employer's contribution to staff's pension fund	3 859 370	3 377 928.96	481 441.04	2 967 583.67
003. Other conditions of service	753 000	389 263.78	363 736.22	150 313.19
Total	42 380 816	35 386 630.46	6 994 185.54	28 830 036.42
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	4 126 000	3 178 619.28	947 380.72	3 343 283.81
022. Materials and supplies	922 000	818 312.28	103 687.72	520 674.24
023. Transport	3 315 310	2 499 660.74	815 649.26	813 136.54
024. Utilities	2 343 000	2 162 158.01	180 841.99	1 173 063.40
025. Maintenance	1 244 000	1 486 424.81	(242 424.81)	829 676.47
027. Other services and expenses	15 300 690	14 989 094.32	311 595.68	8 797 853.23
Total	27 251 000	25 134 269.44	2 116 730.56	15 477 687.69
Subsidies and current transfers				
041. Membership fees and subscriptions: International	-	-	-	165 117.60
043. Government organisations	17 321 000	17 047 763.08	273 236.92	17 000 000.00
Total	17 321 000	17 047 763.08	273 236.92	17 165 117.60
Total: Current expenditure	86 952 816	77 568 662.98	9 384 153.02	61 472 841.71
Operational Capital expenditure: Acquisition of capital assets				
101. Furniture and office equipment	377 000	356 822.54	20 177.46	658 551.22
Total: Capital expenditure	377 000	356 822.54	20 177.46	658 551.22
Total: Operational expenditure	87 329 816	77 925 485.52	9 404 330.48	62 131 392.93
Development				
Capital Expenditure: Goods and other services				
022. Materials and supplies	12 213 000	12 057 525.61	155 474.39	3 456 505.87
027. Other services and expenses	178 893 000	179 347 040.33	(454 040.33)	44 066 043.70
Total	191 106 000	191 404 565.94	(298 565.94)	47 522 549.57
Capital expenditure: Acquisition of capital assets				
101. Furniture and office equipment	388 000	291 986.00	96 014.00	532 941.56
103. Operational equipment, machinery & plants	-	-	-	8 753 947.95
Total:	388 000	291 986.00	96 014.00	9 286 889.51
Total: Development expenditure	191 494 000	191 696 551.94	(202 551.94)	56 809 439.08
GRAND TOTAL	278 823 816	269 622 037.46	9 201 778.54	118 940 832.01

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2011/2012	More/(Less) than estimated	Actual revenue 2010/2011
	N\$	N\$	N\$	N\$
Sale of planning reports	80 000	3 600.00	(76 400.00)	29 700.00
Sales of statistical documents	28 000	6 164.00	(21 836.00)	4 124.00
Private telephone calls	1 000	3.05	(996.95)	43.96
Miscellaneous	40 000	477 992.17	437 992.17	9 931 762.35
TOTAL	149 000	487 759.22	338 759.22	9 965 630.31

1.4 Bank accounts

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

Name of account	Name of bank	Balance at 31/03/2012
		N\$
National Population Housing Census	Nedbank	64 328.72
Stannic Fleet Management	Standard Bank	2 076 641.39
Ohangwena Poverty Reduction Action	Nedbank	258 808.45
NPC-EX-ANTE Project Appraisal	Standard Bank	38 546.82
Personnel and Consultancy Project	Nedbank	1 032 243.69
NPC BON/CBS	Bank Windhoek	37 245.97
NPC Capacity Building Programme	First National Bank	944 493.26
Namibia German Special Initiative Projects	First National Bank	-
NAM4P101 Strengthening Statistical Services	Nedbank	52 424.18
TOTAL		4 504 732.48

See paragraph 4.1.7

1.5 Notes to the financial statements

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

(i) Underexpenditure

Main division 01 - Administration (N\$ 3 374 934.30 – 20.41%)

An underexpenditure of N\$ 2 132 555.90 on remuneration is attributed due to eight (8) non-filled posts.

An underexpenditure of N\$ 88 893.87 is attributed under the remuneration sub code which automatically resulted in underexpenditure of the Employers Contribution to G.I.P.F.

An underexpenditure of N\$ 136 432.90 on Other Condition of Service is attributed by less payment on leave gratuity due to fewer resignations that took place as anticipated during the period under review.

An underexpenditure of N\$ 235 766.22 on Travel and Subsistence allowance is attributed due to the fact that the approved funds were not fully utilised due to fewer activities undertaken as at 31st March 2012.

ANNEXURE A (continued)

An underexpenditure of N\$ 54 053.55 on Materials and Supplies is attributed by cancellation of outstanding commitments due to the Government Stores that delayed invoicing the service rendered and payment was only done in the next financial year.

An underexpenditure of N\$ 574 842.08 on Transport is attributed by virement that was only done in the final month of the financial year and not all the funds were utilised by 31 March 2012.

An underexpenditure of N\$ 97 344.35 on Utilities is attributed due to the fact that some payments of water and refuse bins are being shared with other Ministries.

An underexpenditure of N\$ 66 929.33 on Other Services and Expense is realised due to over-estimation. Most of the trainings and workshops were not undertaken as planned due to the decision to stop funding staff members with their studies.

Main division 02 – Development planning (N\$ 1 484 571.24 –10.67%)

An underexpenditure of N\$ 894 758.12 on remuneration is attributed due to two (2) non-filled posts.

An underexpenditure of N\$ 103 929.94 is attributed under the remuneration sub code which automatically resulted in underexpenditure of the Employers Contribution to G.I.P.F.

An underexpenditure of N\$ 96 583.14 on Other Condition of Service is attributed by less payment made on leave gratuity due to fewer resignations that took place as anticipated during the period under review.

An underexpenditure of N\$ 118 131.93 on Travel and Subsistence allowance is attributed due to the fact that the approved funds were not fully utilised due to fewer activities undertaken as at 31st March 2012.

An underexpenditure of N\$ 12 658.79 on Material and Supplies is attributed by cancellation of outstanding commitments because Government Stores delayed invoicing the service rendered and payment was only done in 2012/2013 financial year.

An underexpenditure of N\$ 30 728.18 on Transport is attributed by virement that was only done in the final month of the financial year and not all the funds were utilised by 31 March 2012.

An underexpenditure of N\$ 55 731.29 on Utilities is attributed due to the fact that some payments of water and refuse bins are being shared with other Ministries.

An underexpenditure of N\$ 229 523.22 on Other Services and Expense is realised due to over-estimation. Most of the trainings and workshops were not undertaken as planned due to the decision to stop funding staff members with their long-term studies.

Main division 03 - Development co-operation (N\$ 2 404 157.73 – 8.69%)

An underexpenditure of N\$ 1 398 500.00 on remuneration is attributed due to three (3) non-filled posts.

An underexpenditure of N\$ 164 036.22 is attributed under the remuneration sub code which automatically resulted in underexpenditure of the Employers Contribution to G.I.P.F.

An underexpenditure of N\$ 112 605.71 is attributed by leave gratuity due to non-resignations that took place as anticipated during the period under review.

An underexpenditure of N\$ 439 079.75 on Travel and Subsistence allowance is attributed due to the fact that the approved funds were not fully utilised due to fewer activities undertaken as at 31st March 2012.

ANNEXURE A (continued)

An underexpenditure of N\$ 14 846.64 on Material and Supplies is attributed by cancellation of outstanding commitments because Government Stores delayed invoicing the service rendered and payment was only done in the 2012/2013 financial year.

An underexpenditure of N\$ 72 357.64 on Transport is attributed by virement that was only done in the final month of the financial year and not all the funds were utilised by 31 March 2012.

An underexpenditure of N\$ 2 048.43 on Utilities is attributed due to the fact that some payments of water and refuse bins are being shared by other Ministries.

An underexpenditure of N\$ 29 445.28 on Other Services and Expense is realised due to over-estimation. Most of the trainings and workshops were not undertaken as planned due to the decision to stop funding staff members with their studies.

Main division 05 - Information system centre (N\$ 1 508 514.71 – 29.36%)

An underexpenditure of N\$ 1 337 840.85 on Remuneration is attributed to five (5) non-filled posts.

An underexpenditure of N\$ 64 409.34 is attributed under the remuneration sub code which automatically resulted in underexpenditure of the Employers Contribution to G.I.P.F.

An underexpenditure of N\$ 10 279.82 on Other Condition of Service is attributed by less payment made on leave gratuity due to fewer resignations that took place as anticipated during the period under review.

An underexpenditure of N\$ 66 766.22 on Travel and Subsistence allowance is attributed due to the fact that the approved funds were not fully utilised due to fewer activities undertaken as at 31st March 2012.

An underexpenditure of N\$ 9 955.51 on Material and Supplies is attributed due to the cancellation of outstanding commitments as a result of late invoicing from Government Stores and payment was only made in the 2012/2013 financial year.

An underexpenditure of N\$ 31 632.30 on Transport is attributed by virement that was only done in the final month of the financial year and not all the funds were utilised by 31 March 2012.

An underexpenditure of N\$ 6 011.10 on Utilities is attributed due to the fact that some payments of water and refuse bins are being shared with other Ministries.

An underexpenditure of N\$ 14 104.28 on Furniture and Office Equipment is realised due to fewer furniture bought during the period under review.

ANNEXURE A (continued)

2. GENERAL INFORMATION**2.1 Development/Capital projects**

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

Nature of project	Approved total budget	Total expenditure at 31/03/2011	Approved appropriation 2011/2012	Actual expenditure as per ledger 2011/2012	Total expenditure at 31/03/2012	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
National Monitoring, Reporting and Evaluation System	12 341 000	36 888 067.19	2 900 000	2 887 692.24	39 775 759.43	31 March 2015
Feasibility Study Project	25 635 000	8 776 230.59	-	-	8 776 230.59	31 March 2015
Implementation of Geographical Information System (GIS) in Regions	32 300 000	20 725 824.51	5 499 000	5 496 639.56	26 222 464.07	31 March 2014
Population and Housing Census	265 284 000	50 604 901.70	173 095 000	173 616 657.61	224 221 559.31	31 March 2015
Namibia Household Income and Expenditure Survey	54 557 000	45 152 591.67	10 000 000	9 695 728.53	54 848 320.20	31 March 2012
Total	390 117 000	162 147 615.66	191 494 000	191 696 717.94	353 844 333.60	

2.2 Exemption from normal Tender Board Procedures

The Tender Board approved deviations from normal Tender Board procedures for acquiring goods and services valued at N\$ 248 556 948.00 comprising of the following:

Exemption	Goods and services	Amount approved
E 1/22-1/11	Hiring of vehicles to speed up the 2011 Population and Housing Census	N\$ 10 000 000
E 1/22-2/11	Annual Tender Board exemption for the purchase and supply of goods and services for NPC 2011/2012	202 464 000
E 1/22-3/11	Renting and procurement of goods and services during the process of implementing the 2011 Population and Housing Census	36 092 948
	Total	248 556 948

WINDHOEK, 2012-10-01

A L. HUNGAMO
ACCOUNTING OFFICER