



**REPUBLIC OF NAMIBIA**



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE**

# **NATIONAL PLANNING COMMISSION**

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

Published by authority

Price (Vat excluded) N\$ 24.95  
Report no. 92/2014

**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 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 PLANNING COMMISSION  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2013**

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**1. INTRODUCTION**

This report on the accounts of the National Planning Commission for the financial year ended 31 March 2013 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.

**Report on the Financial Statements**

I have audited the accompanying financial statements of National Planning Commission 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.

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 Sections 12 and 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

Attention is drawn on the following matter(s) that relate to my responsibility in the audit of the financial statements:

##### 4.1.1 Underexpenditure

The total budget of the Commission was underspend with an amount of N\$ 7 890 895.44 (4.92%).

It is recommended that the Accounting Officer should put measures in place to avoid underexpenditure and ensures that planned projects are implemented.

##### 4.1.2 Differences between the Original Budget vs Appropriation Account

Differences were noted between the original budget in the Operational Budget book and Appropriation Account:

Main division	Operational budget book	Appropriation account	Difference
	N\$	N\$	N\$
02	12 950 000	8 849 000	4 101 000
04	71 675 000	38 547 000	33 128 000
06	46 368 000	83 597 000	37 229 000

The Accounting Officer explained that the difference on Main Division 02 was supposed to be the amount budgeted for National Monitoring Reporting and Evaluation System (NMRES) under Main Division 04, while the difference under Main Division 04 was budgeted for Main Division 06. This was well captured on the IFMS system during the budget split, the mistake was made by the Ministry of Finance during the release of the budget book. The shortage under Main Division 06 is made up of the two differences under Main Divisions 02 and 04.

#### 4.1.3 Virements

Differences were noted between the virement authorised by Treasury and the virements in the Appropriation Account:

<b>Main Division</b>	<b>Appropriation Account</b>	<b>Authorised Virements</b>	<b>Difference</b>
	N\$	N\$	N\$
01	1 660 000	3 060 000	(1 400 000)
02	(2 359 000)	(2 759 000)	400 000
04	(1 450 000)	(1 850 000)	400 000
05	(1 100 000)	(2 100 000)	1 000 000
06	3 000 000	3 400 000	(400 000)

The Accounting Officer explained that the differences between the virement authorised by Treasury and the virement in the Appropriation Account was due to the fact that by the time the Ministry of Finance approved the request, some funds were already utilised resulting in shortages of funds to be processed.

It is recommended that the Accounting Officer should ensure that the requested amounts are not used prior to the approval of virements by Treasury.

#### 4.1.4 Subsistence Advances

According to the Daily Substance Allowance debit balance list from the Commission, an amount of N\$ 62 385.42 was outstanding on advances as at 31 March 2013. However, N\$ 41 852.70 from the N\$ 62 385.42 was due after thirty (30) days of return by the staff members to their official duty station as at 31 March 2013.

The suspense account indicates a debit balance of N\$ 350 419.80 whereas the Daily Substance Allowance debit balance list indicates an amount of N\$ 62 385.42 leaving a difference of N\$ 288 034.38 which is explained by the Accounting Officer as follows:

The difference of N\$ 350 419.80 includes the current DSA debit balance of N\$ 62 385.42. An amount of N\$ 198 441.02 is brought forward from the financial year 2006 when the IFMS was introduced and N\$ 89 593.36 which have to be reconciled. Furthermore, the Accounting Officer explained that the outstanding amount of N\$ 41 852.70 on advances was due to insufficient funds on the subsistence and travel allowance sub-division but during the audit, the auditors have noted that the staff members with outstanding advances are from the main divisions which have an under-expenditure on a particular sub-division by the end of 31 March 2013.

It is recommended that the Accounting Officer should reconcile the Commission's records with that of the Ministry of Finance on a regular basis in order to avoid any differences.

#### 4.1.5 Deviation from normal Tender procedures

##### Sub-divisions exceeding approved exemption

According to the statement provided by the Accounting Officer, the actual expenditure in two sub-divisions have exceeded the approved annual exemption amount resulting in non-compliance to the Tender Board procedures.

Description	Approved exemption amount	Actual expenditure	Variance
<b>Operational Expenditure</b>	N\$	N\$	N\$
023 Transport	2 287 000	3 855 922.47	(1 568 922.47)
043 Government Organizations	46 767 000	69 533 700.00	(22 766 700.00)
<b>Total</b>	<b>49 054 000</b>	<b>73 389 622.47</b>	<b>(24 335 622.47)</b>

It is recommended that the Accounting Officer should implement proper control measures to avoid over-expenditure.

#### 4.1.6 Suspense Accounts

The final ledger shows five (5) suspense account balances of the Commission as at 31 March 2013 of which one (1) had a credit balance and four (4) had debit balances. The following suspense accounts were in excess of N\$ 100 000:

Description	Debit/(Credit)
	N\$
S&T Advance Suspense Account	350 419.80
Bills Payable	(2 832 884)

It is recommended that the Accounting Officer should take all necessary steps to reconcile and clear the balances on the accounts as a matter of urgency.

The Accounting Officer explained as follows:

##### Subsistence and Travel Allowance Suspense Account

The difference of N\$ 350 419.80 includes the current DSA debit balance of N\$ 62 385.42. An amount of N\$ 198 441.02 is brought forward from the financial year 2006 when the IFMS was introduced and N\$ 89 593.36 which have to be reconciled.

##### Bills Payable

The credit amount of N\$ 2 832 884.02 is made up of EFT payments which were supposed to clear themselves after the funds have been electronically transferred to recipient accounts. It is very difficult to reconcile the EFT payments because the Commission do not receive any reports of rejected EFT payments from the Ministry of Finance and the General Ledger is always updated late for the Commission to compare with the daily payments.

## 5. ACKNOWLEDGEMENT

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



## **6. UNQUALIFIED OPINION**

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

In my opinion, the financial statements represent fairly the receipts and payments of Vote 26 as at 31 March 2013, 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**  
**123 ROBERT MUGABE AVENUE**  
**PRIVATE BAG 13299**  
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**NAMIBIA**

## 7. FINANCIAL STATEMENTS

## 7.1 Appropriation account

Services	2012/2013					2011/2012
	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
<b>01. Administration</b>	N\$	N\$	N\$	N\$	%	N\$
Original budget	14 543 000					
Plus: Virement	1 660 000	16 203 000	15 015 901.86	1 187 098.14	7.33	13 161 447.70
<b>02. Macroeconomic Planning:</b>						
Original budget	8 849 000					
Less: Virement	(2 359 000)	6 490 000	5 427 535.20	1 062 464.80	16.37	12 423 363.76
<b>03. Regional and Sectoral &amp; Co-ordination</b>						
Original budget	8 549 000					
Plus: Virement	249 000	8 798 000	8 346 810.09	451 189.91	5.13	25 265 172.27
<b>04. Monitoring, Evaluation and Donor Management:</b>						
Original budget	38 547 000					
Less: Virement	(1 450 000)	37 097 000	34 583 176.62	2 513 823.38	6.78	215 143 186.44
<b>05. Information System Centre:</b>						
Original budget	6 237 000					
Less: Virement	(1 100 000)	5 137 000	3 378 604.15	1 758 395.85	34.23	3 628 867.29
<b>06. National Statistical Agency:</b>						
Original budget	83 597 000					
Plus: Virement	3 000 000	86 597 000	85 679 076.64	917 923.36	1.06	-
<b>TOTAL</b>		<b>160 322 000</b>	<b>152 431 104.56</b>	<b>7 890 895.44</b>	<b>4.92</b>	<b>269 622 037.46</b>

ANNEXURE A (continued)

7.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorized expenditure	Actual expenditure	Under expenditure	Actual expenditure
<b><u>Operational</u></b>	N\$	N\$	N\$	N\$
<b>Current expenditure: Personnel</b>				
001. Remuneration	35 487 000	31 673 292.75	3 813 707.25	31 619 437.72
002. Employer's contribution to staff's pension fund	3 843 000	3 605 681.05	237 318.95	3 377 928.96
003. Other conditions of service	1 040 000	157 313.00	882 687.00	389 263.78
<b>Total</b>	<b>40 370 000</b>	<b>35 436 286.80</b>	<b>4 933 713.20</b>	<b>35 386 630.46</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	5 169 693	3 386 670.47	1 783 022.53	3 178 619.28
022. Materials and supplies	1 147 409	1 079 332.57	68 076.43	818 312.28
023. Transport	3 870 786	3 855 922.47	14 863.53	2 499 660.74
024. Utilities	1 944 364	1 796 519.80	147 844.20	2 162 158.01
025. Maintenance	1 450 206	1 244 538.88	205 667.12	1 486 424.81
027. Other services and expenses	7 895 000	7 701 856.19	193 143.81	14 989 094.32
<b>Total</b>	<b>21 477 458</b>	<b>19 064 840.38</b>	<b>2 412 617.62</b>	<b>25 134 269.44</b>
<b>Subsidies and current transfers</b>				
041. Membership fees and subscriptions: International	300 000	289 450.99	10 549.01	-
043. Government organisations	86 300 700	86 300 700.00	-	17 047 763.08
<b>Total</b>	<b>86 600 700</b>	<b>86 590 150.99</b>	<b>10 549.01</b>	<b>17 047 763.08</b>
<b>Total: Current expenditure</b>	<b>148 448 158</b>	<b>141 091 278.17</b>	<b>7 356 879.83</b>	<b>77 568 662.98</b>
<b>Operational Capital expenditure: Acquisition of capital assets</b>				
101. Furniture and office equipment	1 440 805	1 307 928.59	132 876.41	356 822.54
<b>Total: Capital expenditure</b>	<b>1 440 805</b>	<b>1 307 928.59</b>	<b>132 876.41</b>	<b>356 822.54</b>
<b>Total: Operational expenditure</b>	<b>149 888 963</b>	<b>142 399 206.76</b>	<b>7 489 756.24</b>	<b>77 925 485.52</b>
<b><u>Development</u></b>				
<b>Capital Expenditure: Goods and other services</b>				
022. Materials and supplies	50 571	50 570.93	0.07	12 057 525.61
027. Other services and expenses	10 382 466	9 981 326.87	401 139.13	179 347 040.33
<b>Total</b>	<b>10 433 037</b>	<b>10 031 897.80</b>	<b>401 139.20</b>	<b>191 404 565.94</b>
<b>Capital expenditure: Acquisition of capital assets</b>				
101. Furniture and office equipment	-	-	-	291 986.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291 986.00</b>
<b>Total: Development expenditure</b>	<b>10 433 037</b>	<b>10 031 897.80</b>	<b>401 139.20</b>	<b>191 696 551.94</b>
<b>Grand Total</b>	<b>160 322 000</b>	<b>152 431 104.56</b>	<b>7 890 895.44</b>	<b>269 622 037.46</b>

### 7.3 Departmental revenue

Revenue for the year is as follows:

Revenue heading	Estimate	Actual revenue 2012/2013	More/(Less) than estimated	Actual revenue 2011/2012
	N\$	N\$	N\$	N\$
Sale of planning reports	45 200	31 925.00	(13 275.00)	3 600.00
Sales of statistical documents	30 000	848.00	(29 152.00)	6 164.00
Private telephone calls	-	-	-	3.05
Miscellaneous	40 200	451 174.20	410 974.20	477 992.17
<b>TOTAL</b>	<b>115 400</b>	<b>483 947.20</b>	<b>368 547.20</b>	<b>487 759.22</b>

### 7.4 Notes to the financial statements

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

##### Underexpenditure

##### **Main Division 01 - Administration (N\$ 1 187 098.14 – 7.33%)**

An underexpenditure on Remuneration and Subsistence and Travel Allowance is attributed by vacant positions of a Typist which was budgeted for, but could not be filled during the period under review. Funds were viremented to Daily Subsistence Allowances account code, but trips were not under taken by the end of the financial year.

##### **Main Division 02 – Macroeconomic Planning (N\$ 1 062 464.80 –16.37%)**

The underexpenditure is due to the restructuring that took long to place staff members under Macroeconomic Planning Main Division from Regional and Sectoral & Co-ordination Departments where funds were depleted and funds were not spend because most of the staff members were still under Regional & Sectoral and Co-ordination main division awaiting final restructuring and they used the funds under Main Division 03 when travelling.

##### **Main Division 03 – Regional and Sectoral & Co-ordination (N\$ 451 189.91 – 5.13%)**

The underexpenditure is due to few payments of leave gratuity due to a few resignations during the period under review and under spending on Subsistence and Travel allowance is attributed due to the fact that the viremented funds were not fully utilised by 31<sup>st</sup> March 2013.

##### **Main Division 04 – Monitoring, Evaluation and Donor Management (N\$ 2 513 823.38 – 6.78%)**

An underexpenditure is due to the salary restructure that took long and staff members were only placed in their positions from 01 April 2013. An underexpenditure on Other Conditions of Service, is as a result of non-payment of leave gratuity as no resignations took place during the period under review. The underspending on Travel and Subsistence Allowance, is attributed to the fact that the approved funds were not fully utilised due to a few activities undertaken by staff members by 31 March 2013.

The underexpenditure is attributed by the delay in the procurement process and some of the goods were not procured.

#### **Main division 05 - Information System Centre (N\$1 758 395.85 – 34.23%)**

An underexpenditure on Remuneration is due to a number of vacant positions which were budgeted for but could not be filled during the period under review because of the restructuring of the National Planning Commission.

On Subsistence and Travel Allowance, the under spending is attributed due to the fact that the approved funds were not fully utilised as few activities that was undertaken by staff members.

#### **7.4.2 Miscellaneous Revenue: Explanation of revenue received exceeding N\$ 100 000.**

##### **Under-estimation**

The high out turn of N\$ 380 000 is as a result of a vehicle that was reported lost and paid by the National Planning Commission and was later found. The money was refunded to the National Planning Commission by the car dealer.

### **8. GENERAL INFORMATION**

#### **8.1 Bank Accounts**

The Accounting Officer reported the following closing balances as at 31 March 2013:

<b>Name of Account</b>	<b>Financial Institution</b>	<b>Balance at 31/03/2013</b>
		N\$
National Population Housing Census 2001	Nedbank	-
Stannic Fleet Management - NPC Transport	Standard Bank	399 513.65
Ohangwena Poverty Reduction Action	Nedbank	3 322.25
NPC-EX-ANTE Project Appraisal	Standard Bank	1 594.02
Personnel and Consultancy Project	Nedbank	1 032 007.21
NPC BON/CBS	Bank Windhoek	36 795.90
NPC Capacity Building Programme	First National Bank	258 355.14
National Human Resource Plan	Bank Windhoek	470 119.17
National Human Resource Plan	Bank Windhoek	3 771 020.97
National Human Resource Plan	Bank Windhoek	1 031 550.31
NAM4P101 Strengthening Statistical Services	Nedbank	910.56

#### **8.2 Commissions and Special Committees**

The Accounting Officer reported on Commissions and Special Committees for the National Planning Commission.

The cost incurred on these Commissions and Committees for the year under review is as follows:

<b>Name of Commission</b>	<b>Actual expenditure</b>
	N\$
Millennium Challenge Account	45 000
National Planning Commission	33 000
<b>Total</b>	<b>78 000</b>

### 8.3 Capital Projects

The following were development projects of the Commission as reflected in the General Ledger and the Development Budget.

Nature of project	Approved total budget	Total expenditure at 31/03/2012	Approved appropriation 2012/2013	Actual expenditure as per ledger 2012/2013	Total expenditure at 31/03/2013	Expected year of completion
National Monitoring, Reporting and Evaluation System Feasibility Study Project	N\$ 14 442 000	N\$ 39 775 759.43	N\$ 4 101 000	N\$ 3 699 862.19	N\$ 43 475 621.62	31 March 2014
Implementation of Geographical Information System (GIS) in Regions Population and Housing Census	40 577 000	8 776 230.59	-	-	8 776 230.59	31 March 2015
Namibia Household Income and Expenditure Survey	287 600 000	26 222 464.07	2 119 684	2 119 683.83	28 342 147.90	31 March 2014
Namibia Statistics Agency Head Office	54 557 000	224 221 559.31	3 773 451	3 773 450.68	227 995 009.99	31 March 2015
	132 000 000	54 848 320.20	438 902	438 901.10	55 287 221.30	31 March 2012
<b>Total</b>	<b>529 176 000</b>	<b>353 844 333.60</b>	<b>10 433 037</b>	<b>10 031 897.80</b>	<b>363 876 231.40</b>	<b>31 January 2017</b>

### 8.4 Exemption from normal Tender Board Procedures

The Tender Board approved deviations from normal Tender Board procedures for acquiring goods and services valued at N\$ 112 605 000 comprising of the following:

Exemption Number	Description	Approved Amount	Actual Expenditure	Variance
E 1/22-1/12	Annual tender board exemption for the purchase and supply of goods and services for NPC 2012/2013	N\$ 112 205 000	N\$ 100 227 817.76	N\$ 11 977 182.24
E 1/22-3/12	Printing of the fourth National Development Plan (NDP4) document, executive summary booklet and flyers	400 000	400 000.00	-
	<b>TOTAL</b>	<b>112 605 000</b>	<b>100 627 817.76</b>	<b>11 977 182.24</b>

WINDHOEK, 2013-12-19

ANDRIES LEEVI HUNGAMO  
ACCOUNTING OFFICER