



**REPUBLIC OF NAMIBIA**



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

Published by authority

Price (Vat excluded) N\$ 26.10

Report no: 18/2015

**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 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, May 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	Virements .....	2
1.4.3	Subsistence advances .....	3
1.4.4	Deviation from normal Tender procedures .....	3
1.4.5	Suspense accounts .....	3
1.5	ACKNOWLEDGEMENT .....	3
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 Accounts .....	7
2.2	Commissions and Special Committees .....	7
2.3	Capital projects .....	8
2.4	Suspense accounts .....	8



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

---

**1. REPORT ON THE FINANCIAL STATEMENTS**

**1.1 INTRODUCTION**

This report on the accounts of the National Planning Commission 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 Planning Commission for the 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 financial statements; and
- General information.

The Appropriation Accounts were submitted timeously by the Accounting Officer to the Auditor-General on 10 October 2014 in terms 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.

**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 Sections 12 and 13 of the State Finance Act, Act 31 of 1991 and 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 of the Commission was underspent with an amount of N\$ 12 359 748.65 (7.44%).

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

### 1.4.2 Virements

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

Main division	Appropriation account	Authorised virements	Difference
	N\$	N\$	N\$
01 - Administration	(4 399 000)	(4 669 000)	(270 000)
02 - Macroeconomic Planning	(3 300 000)	(3 230 000)	(70 000)
03 - Regional & Sectoral and Co-ordination	(1 250 000)	(1 050 000)	(200 000)

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

### **1.4.3 Subsistence advances**

The suspense account indicates a debit balance of N\$ 554 896.57 whereas the Daily Substance Allowance debit balance list indicates an amount of N\$ 414 848.03 leaving a difference of N\$ 140 048.54 which remains still to be explained.

### **1.5 ACKNOWLEDGEMENT**

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

### **1.6 UNQUALIFIED AUDIT OPINION**

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

In my opinion, the financial statements present fairly in all material respects, the financial position of the National Planning Commission as at 31 March 2014 and its financial performance and its cash flows for the year then ended in accordance with the State Finance Act.

**WINDHOEK, May 2015**

**JUNIAS ETUNA KANDJEKE  
AUDITOR-GENERAL**



## 1. AUDITED FINANCIAL STATEMENTS

## 1.1 Appropriation account

2013/2014						2012/2013
Services	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percent-age		
<b>01. Administration</b>	N\$	N\$	N\$	N\$	%	N\$
Original budget	28 536 000					
Less: Virement	(4 399 000)	24 137 000	20 756 617.50	3 380 382.50	14.00	15 015 901.86
<b>02. Macroeconomic Planning:</b>						
Original budget	12 688 000					
Less: Virement	(3 300 000)	9 388 000	6 428 994.99	2 959 005.01	31.52	5 427 535.20
<b>03. Regional and Sectoral &amp; Co-ordination:</b>						
Original budget	12 387 000					
Less: Virement	(1 250 000)	11 137 000	9 408 880.90	1 728 119.10	15.52	8 346 810.09
<b>04. Monitoring, Evaluation and Donor Management:</b>						
Original budget	46 982 000					
Less: Virement	(6 585 000)	40 397 000	38 155 272.97	2 241 727.03	5.55	34 583 176.62
<b>05. Information System Centre:</b>						
Original budget	9 573 000					
Less: Virement	(3 995 000)	5 578 000	3 547 649.36	2 030 350.64	36.40	3 378 904.15
<b>06. National Statistical Agency:</b>						
Original budget	55 981 000					
Plus: Virement	19 529 000	75 510 000	75 489 835.63	20 164.37	0.03	85 679 076.64
<b>TOTAL</b>		<b>166 147 000</b>	<b>153 787 251.35</b>	<b>12 359 748.65</b>	<b>7.44</b>	<b>152 431 104.56</b>

## ANNEXURE A (continued)

## 1.2 Standard subdivisions

Subdivision	2013/2014			2012/2013
	Authorized expenditure	Actual expenditure	Under expenditure	Actual expenditure
<b>Operational:</b>	N\$	N\$	N\$	N\$
<b>Current expenditure: Personnel</b>				
001. Remuneration	43 804 664.00	34 106 373.43	9 698 290.57	31 673 292.75
002. Employer's contribution to staff's pension fund	3 951 924.00	3 644 500.32	307 423.68	3 605 681.05
003. Other conditions of service	970 000.00	194 640.88	775 359.12	157 313.00
<b>Total</b>	<b>48 726 588.00</b>	<b>37 945 514.63</b>	<b>10 781 073.37</b>	<b>35 436 286.80</b>
<b>Current expenditure: Goods and other services</b>				
021. Travel and subsistence expenses	5 261 385.95	4 106 958.81	1 154 427.14	3 386 670.47
022. Materials and supplies	1 270 225.47	1 265 851.47	4 374.00	1 079 332.57
023. Transport	1 457 000.00	1 394 775.41	62 224.59	3 855 922.47
024. Utilities	1 893 000.00	1 886 411.41	6 588.59	1 796 519.80
025. Maintenance	1 210 000.00	1 209 756.07	243.93	1 244 538.88
027. Other services and expenses	9 059 989.58	8 722 974.12	337 014.46	7 701 856.19
<b>Total</b>	<b>20 151 600.00</b>	<b>18 586 727.29</b>	<b>1 564 872.71</b>	<b>19 064 840.38</b>
<b>Subsidies and current transfers</b>				
041. Membership fees and subscriptions: International	300 000.00	293 910.09	6 089.91	289 450.99
043. Government organizations	93 807 812.00	93 807 811.56	0.44	86 300 700.00
<b>Total</b>	<b>94 107 812.00</b>	<b>94 101 721.65</b>	<b>6 090 .35</b>	<b>86 590 150.99</b>
<b>Total: Current expenditure</b>	<b>162 986 000.00</b>	<b>150 633 963.57</b>	<b>12 352 036.43</b>	<b>141 091 278.17</b>
<b>Operational Capital expenditure: Acquisition of capital assets</b>				
101. Furniture and office equipment	161 000.00	157 283.92	3 716.08	1 307 928.59
<b>Total: Capital expenditure</b>	<b>161 000.00</b>	<b>157 283.92</b>	<b>3 716.08</b>	<b>1 307 928.59</b>
<b>Total: Operational expenditure</b>	<b>163 147 000.00</b>	<b>150 791 247.49</b>	<b>12 355 752.51</b>	<b>142 399 206.76</b>
<b>Development:</b>				
<b>Capital Expenditure: Goods and other services</b>				
022. Materials and supplies	-	-	-	50 570.93
027. Other services and expenses	3 000 000.00	2 996 003.86	3 996.14	9 981 326.87
<b>Total: Development expenditure</b>	<b>3000 000.00</b>	<b>2 996 003.86</b>	<b>3 996.14</b>	<b>10 031 897.80</b>
<b>Grand Total</b>	<b>166 147 000.00</b>	<b>153 787 251.35</b>	<b>12 359 748.65</b>	<b>152 431 104.56</b>

### 1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2013/2014	More/(Less) than estimated	Actual revenue 2012/2013
	N\$	N\$	N\$	N\$
Sale of planning reports	282 000	42 175 .00	(239 825.00)	31 925.00
Sales of statistical documents	-	90.00	90.00	848.00
Miscellaneous	219 398	201 935.69	(17 462.31)	451 174.20
<b>TOTAL</b>	<b>501 398</b>	<b>244 200.69</b>	<b>(257 197.31)</b>	<b>483 947.20</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 - Administration (N\$ 3 380 382.50 – 14.00%)

An underexpenditure on Remuneration is attributed to the fact that the personnel expenditure budget was over-estimated during the budget process. Funds were viremented to subsistence and travel allowances account code, but trips were not undertaken by the end of the financial year. An underexpenditure on other service and expenses is realised due to the fact that funds were viremented and some planned workshops did not take place.

##### Main Division 02 – Macroeconomic Planning (N\$ 2 959 005.01 – 31.52%)

An underexpenditure on Remuneration is attributed to the fact that the personnel expenditure budget was over-estimated during the budget process. An underexpenditure on other conditions of service is attributed to the fact that only one person resigned during the financial year under review. An under spending on subsistence and travel allowance is attributed due to the fact that funds were virements but trips were not undertaken resulting in an underexpenditure by 31 March 2014.

##### Main Division 03 – Regional and Sectoral & Co-ordination (N\$ 1 728 119.10 – 15.52%)

An underexpenditure on Remuneration is attributed due to personnel expenditure budget being over-estimated during the budget process. An under-spending for subsistence and travel allowance is attributed by virements funds not utilised resulting in an underexpenditure by 31 March 2014.

##### Main Division 04 – Monitoring, Evaluation and Donor Management (N\$ 2 241 727.03 – 5.55%)

An underexpenditure is due to the fact that personnel expenditure budget was over-estimated during the budget process. An underexpenditure on other conditions of service is attributed because one person resigned during the financial year under review. An under-spending on travel and subsistence allowance is a result of funds viremented but trips were not undertaken as planned by 31 March 2014.

An underexpenditure on materials and supplies is attributed by the delay in the procurement process and some of the goods and materials were not procured.

**Main division 05 – Information System Centre (N\$ 2 030 350.64 – 36.40%)**

An underexpenditure on Remuneration is due to the fact that personnel expenditure budget was over-estimated during the budget process.

An under-spending on travel and subsistence allowance is attributed to the fact that some planned trips could not be under taken by 31 March 2014.

An underexpenditure on other services and expenses is realised due to the fact that even though most activities were undertaken not all funds could be utilised at the end of the financial year.

**2. GENERAL INFORMATION**

**2.1 Bank accounts**

The Accounting Officer reported the following closing balances as at 31 March 2014:

<b>Name of account</b>	<b>Financial institution</b>	<b>Balance at 31/03/2014</b>
		N\$
NPC/World Bank Monitoring and Evaluation	Bank Windhoek	3 150 113.80
Stannic Fleet Management - NPC Transport	Standard Bank	13 319.87
National Human Resource Plan	Bank Windhoek	912 702.19

**2.2 Commissions and Special Committees**

The Accounting Officer reported on Commissions and Special Committees for the National Planning Commission. The cost incurred on Commissions and Special Committees for the year under review amounted to N\$ 87 000.

### 2.3 Capital projects

The following is the development project of the Commission as reflected in the General Ledger and the Development Budget.

Nature of project	Approved total budget	Total expenditure at 31/03/2013	Approved appropriation 2013/2014	Actual expenditure 2013/2014	Total expenditure at 31/03/2014	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
National Monitoring, Reporting and Evaluation System	18 469 000	43 475 621.62	3 000 000.00	2 996 003.86	46 471 625.48	31 March 2014
<b>Total</b>	<b>18 469 000</b>	<b>43 475 621.62</b>	<b>3 000 000.00</b>	<b>2 996 003.86</b>	<b>46 471 625.48</b>	

### 2.4 Suspense accounts

The final ledger shows eight (8) suspense account balances of the Commission as at 31 March 2014 of which one (1) had a credit balance and seven (7) had debit balances.

Description	Debit/(Credit)
	N\$
Receipt Suspense	21 340.97
S&T Advance Suspense Account	554 896.57
Rejection Account	(59 499.98)
Bills Payable	72 024.50
Account (EFT)	103.51
Pension Funds: GIPF	1 294.43
National Housing Enterprise (10 %)	1 051.67
First National Bank (Windhoek)	2 153.62

WINDHOEK, 2014-10-10

ANDRIES LEEVI HUNGAMO  
ACCOUNTING OFFICER