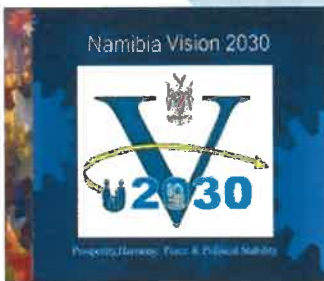




REPUBLIC OF NAMIBIA



**REPUBLIC OF NAMIBIA
OFFICE OF THE PRESIDENT
NATIONAL PLANNING COMMISSION**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NATIONAL PLANNING COMMISSION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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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 2015 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.

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

WINDHOEK, April 2016

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**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE NATIONAL PLANNING COMMISSION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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 2015 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 2015. 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 19 October 2015 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 FINDING

No material audit finding was observed.

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 2015 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 2015 and its financial performance and its receipts and payments for the year then ended in accordance with the State Finance Act, Act 31 of 1991.

2. EMPHASIS OF MATTER

Without qualifying my audit opinion on the basis of this paragraph, I draw attention to the following matter(s) that relate to my responsibility in the audit of the Financial Statements, as disclosed in the Financial Statements:

2.1. Underexpenditure

The total budget of the Commission was underspent with an amount of N\$ 25 337 958.24(10.84%).

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

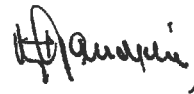
2.2 Subsistence advances

The subsistence and travel advance suspense account indicates a debit balance of N\$ 266 993.39 whereas the Subsistence and travel account indicates an amount of N\$ 100 517.91 leaving a difference of N\$ 166 475.48.

Management Comment

The Commission agrees with the fact that the balances on the Subsistence and travel Account and the Subsistence and Travel Advance Suspense Account is not corresponding. The difference of N\$ 166 475.48 has accumulated from previous financial years and arose as a result of adjustment journals done on DSA module, which were not updated on the General Ledger (S&T Advance Suspense Account).

WINDHOEK, April 2016



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

| 2014/2015 | | | | | | 2013/2014 |
|---|------------------------|-----------------------|--------------------------------|--------------|-----------------------|-----------|
| Services | Authorized expenditure | Actual expenditure | Variations | | Actual expenditure | |
| | | | Under-expenditure/ (Excess) | Percentage | | |
| N\$ | N\$ | N\$ | N\$ | % | N\$ | |
| 01. Administration: | | | | | | |
| Original budget | 160 669 000 | 155 038 749.54 | 5 630 250.46 | 3.50 | 20 756 617.50 | |
| 02. Macroeconomic Planning: | | | | | | |
| Original budget | 15 660 000 | 8 978 052.36 | 6 681 947.64 | 42.67 | 6 428 994.99 | |
| 03. Regional and Sectoral & Co-ordination: | | | | | | |
| Original budget | 16 521 000 | 12 754 607.08 | 3 766 392.92 | 22.80 | 9 408 880.90 | |
| 04. Monitoring, Evaluation and Donor Management: | | | | | | |
| Original budget | 31 835 000 | 26 073 039.43 | 5 761 960.57 | 18.10 | 38 155 272.97 | |
| 05. Information System Centre: | | | | | | |
| Original budget | 9 064 000 | 5 566 593.35 | 3 497 406.65 | 38.59 | 3 547 649.36 | |
| 06. National Statistical Agency: | | | | | | |
| Original budget | - | - | - | - | 75 489 835.63 | |
| Total | 233 749 000 | 208 411 041.76 | 25 337 958.24 | 10.84 | 153 787 251.35 | |

ANNEXURE A (continued)

1.2 Standard subdivisions

| Subdivision | 2014/2015 | | | 2013/2014 |
|---|------------------------|-----------------------|----------------------|-----------------------|
| | Authorized expenditure | Actual expenditure | Under expenditure | Actual expenditure |
| Operational: | N\$ | N\$ | N\$ | N\$ |
| Current expenditure: Personnel | | | | |
| 001. Remuneration | 45 178 000 | 39 230 112.90 | 5 947 887.10 | 34 106 373.43 |
| 002. Employer's contribution to staff's pension fund | 4 931 000 | 4 244 408.54 | 686 591.46 | 3 644 500.32 |
| 003. Other conditions of service | 990 000 | 163 909.86 | 826 090.14 | 194 640.88 |
| Total | 51 099 000 | 43 638 431.30 | 7 460 568.70 | 37 945 514.63 |
| Current expenditure: Goods and other services | | | | |
| 021. Travel and subsistence expenses | 14 700 600 | 6 906 113.06 | 7 794 486.94 | 4 106 958.81 |
| 022. Materials and supplies | 2 971 000 | 2 446 175.11 | 524 824.89 | 1 265 851.47 |
| 023. Transport | 3 382 000 | 2 419 872.30 | 962 127.70 | 1 394 775.41 |
| 024. Utilities | 3 200 000 | 2 778 115.54 | 421 884.46 | 1 886 411.41 |
| 025. Maintenance | 2 014 000 | 1 218 802.24 | 795 197 76 | 1 209 756.07 |
| 027. Other services and expenses | 25 153 400 | 17 816 343.81 | 7 337 056.19 | 8 722 974.12 |
| Total | 51 421 000 | 33 585 422.06 | 17 835 577.94 | 18 586 727.29 |
| Subsidies and current transfers | | | | |
| 041. Membership fees and subscriptions: International | 300 000 | 258 188.40 | 41 811.60 | 293 910.09 |
| 043. Government organizations | 125 923 000 | 125 923 000.00 | - | 93 807 811.56 |
| Total | 126 223 000 | 126 181 188.40 | 41 811.60 | 94 101 721.65 |
| Total: Current expenditure | 228 743 000 | 203 405 041.76 | 25 337 958.24 | 150 633 963.57 |
| Operational Capital expenditure: Acquisition of capital assets | | | | |
| 101. Furniture and office equipment | 5 006 000 | 5 006 000.00 | - | 157 283.92 |
| Total: Capital expenditure | 5 006 000 | 5 006 000.00 | - | 157 283.92 |
| Total: Operational expenditure | 5 006 000 | 5 006 000.00 | - | 150 791 247.49 |
| Development: | | | | |
| Capital Expenditure: Goods and other services | | | | |
| 027. Other services and expenses | - | - | - | 2 996 003.86 |
| Total: Development expenditure | - | - | - | 2 996 003.86 |
| Grand Total | 233 749 000 | 208 411 041.76 | 25 337 958.24 | 153 787 251.35 |

1.3 Departmental revenue

Revenue for the year is as follows:

| Revenue head | Estimate | Actual revenue 2014/2015 | More/(Less) than estimated | Actual revenue 2013/2014 |
|--------------------------------|-------------------|-----------------------------|-------------------------------|-----------------------------|
| | N\$ | N\$ | N\$ | N\$ |
| Sale of planning reports | 40 000.00 | 11 900 00 | (28 100.00) | 42 175.00 |
| Sales of statistical documents | - | - | - | 90.00 |
| Miscellaneous | 223 786.00 | 445 872.50 | 222 086.50 | 201 935.69 |
| Private Telephone Calls | - | 1 812.00 | 1 812.00 | - |
| TOTAL | 263 786.00 | 459 584.50 | 195 798.50 | 244 200.69 |

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\$ 5 630 250.46–3.50%)

The underexpenditure of N\$ 5 630 250.46 represents a variance of 3.50% less than appropriated, was due to the non-filling of vacancies and other related cost that goes with the appointment of staff members and delay in issuing invoices for the services rendered by Government Garage. Less training was undertaken. Planned workshops and meetings within and outside the country could not be attended.

Main Division 02 – Macroeconomic Planning (N\$ 6 681 947.64 – 42.67%)

The underexpenditure of N\$ 6 681 947.64 represents a variance of 42.67% less than appropriated, was attributed by the lengthy process of farming out some consultancies. The planned and budgeted National Development Dialogue Forums did not take place due to the national elections.

The other variance was mainly caused by some activities which were not carried out, such as printing of policy briefs and research paper which had to go through the long tendering procedures. Long term training agreements where consultants have to come to Namibia and staff travelling to the respective consultant's countries did not take place which resulted in much of foreign ticket and DSA budget not spent.

Main Division 03 – Regional and Sectoral & Co-ordination (N\$ 3 766 392.92 – 22.80%)

The underexpenditure of N\$ 3 766 392.92 represents a variance of 22.80% less than appropriated. The underexpenditure was mainly attributed to variances in the department that could not be filled in the financial year under review and related cost that goes with the appointment of staff members.

In addition the Department also experienced a challenge with regards to the study tours and familiarization visits which could not be undertaken in the second quarter due to other urgent commitments e.g. development budget preparation.

Main Division 04 – Monitoring, Evaluation and Donor Management (N\$ 5 761 960.57 – 18.10%)

The underexpenditure was due to non-filling of vacancies and related cost that goes with the appointment of staff members. Most of the training courses identified by the staff were not attended as a result of postponement and cancellations by stakeholders.

Main division 05 – Information System Centre (N\$ 3 497 406.65 – 38.59%)

The underexpenditure was due to vacant positions not filled during the year on this main division affected expenditure on personnel and fewer trips undertaken than anticipated resulted in further underexpenditure. Licensing fees for Official Development Assistant (ODA) and Namibia Intergrated Monitoring, Reporting and Evaluation System (NIMRES) were not renewed.

1.4.2 Departmental revenue: Explanation of revenue diviations N\$ 100 000

Underestimation

Miscellaneous revenue: N\$ 222 086.50

This collection is from unforeseen transactions. This category is also unpredictable and is considered to be an accounting provision. The over-collection under this revenue head was as a result of a refund on the employer/employee contribution from GIPF for a contractual employee who resigned, air ticket, financial assistance as well as cell phone top up by management.

3. GENERAL INFORMATION

3.1 Miscellaneous revenue

Miscellaneous Revenue was compensated of the following:

| Description | Amount |
|---|-------------------|
| | N\$ |
| Namibia vision 2030 documents | 3 210.00 |
| Utilisation of auditorium | 4 750.00 |
| Employer / Employee contribution to GIPF refund | 135 271.32 |
| Study fees refund | 19 500.00 |
| NPC stannic account close out balance | 11 629.27 |
| Cell phone top up | 600.00 |
| Cell phone top up | 1 599.00 |
| Air tickets refund | 242 677.50 |
| Refund form GIPF | 26 635.41 |
| Total | 445 872.50 |

3.2 Bank accounts

The Accounting Officer reported the following closing balances as at 31 March 2015:

| Name of Bank Account | Financial Institution | Credit Balance at 31/03/2015 |
|---------------------------------------|-----------------------|------------------------------|
| | | N\$ |
| National Human Commission Secretariat | Bank Windhoek | 601 884.35 |
| National Planning Commission BON/CBS | Bank Windhoek | 201 261.71 |

3.3 Commissions and Special Committees

The Accounting Officer reported on Commissions and Special Committees for the National Planning Commission. The sitting fees incurred on Commissions and Committees for the year under review amounted to N\$ 231 414.

3.4 Number of Vehicles

The Accounting Officer reported eleven (11) Sedans, two (2) Kombis and twenty seven (27) 4x4 Vehicles.

3.5 Exemption from normal Tender Board procedures

The Tender Board approved deviations from normal Tender Board procedures for acquiring goods and services valued at N\$ 180 294 000 comprising of the following:

| Exemption Number | Description | Approved amount | Actual expenditure | Variance |
|------------------|--|--------------------|-----------------------|----------------------|
| | | N\$ | N\$ | N\$ |
| E 1/22-1/2014 | Travel & subsistence expenses materials and supplies | 15 300 600 | 6 906 113.06 | 8 394 486.94 |
| | Material and supplies | 3 621 000 | 2 446 175.11 | 1 174 824.89 |
| | Transport | 3 382 000 | 2 419 872.30 | 962 127.70 |
| | Utilities | 3 200 000 | 2 778 115.54 | 421 884.46 |
| | Maintenance expense | 2 214 000 | 1 218 802.24 | 995 197.76 |
| | Other services and expenses | 25 353 400 | 17 816 343.81 | 7 537 056.19 |
| | Membership fees & subscription | 300 000 | 258 188.40 | 41 811.60 |
| | Government organisation | 125 923 000 | 125 923 000.00 | - |
| | Furniture and office equipment | 1 000 000 | 598 946.88 | 401 053.12 |
| | TOTAL | 180 294 000 | 160 365 557.34 | 19 928 442.66 |

3.6 Suspense accounts

The final ledger shows six (6) suspense account balances of the Commission as at 31 March 2015 of which three (3) had credit balance and three (3) had debit balances.

| Description | Debit/(Credit) |
|--------------------------------|----------------|
| | N\$ |
| Receipt Suspense | (8 812.66) |
| S & T Advance Suspense Account | 266 993.39 |
| Rejection Account | (48 629.76) |
| Bills Payable | (332 319.81) |
| Social Security | 135.00 |
| Pension Funds: GIPF | 1 384.20 |

WINDHOEK, 19 October 2015

ANDRIES LEEVI HUNGAMO
ACCOUNTING OFFICER

