



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OFFICE OF THE ATTORNEY-GENERAL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

Published by authority

Price (Vat excluded) N\$ 22.00
Report no: 2017/19

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 Office of the Attorney-General for the financial year ended 31 March 2016 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, March 2017

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

DEFINITIONS

Treasury:	Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).
Vote:	Represents an Office/Ministry/Agency.
Appropriation Act:	Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.
Appropriation Account:	Government Income and Expenditure statement, showing on receipt side the estimated budgeted amounts and on expenditure side the actual expenditure amounts and the difference thereof.
Standard sub-division:	Government Balance account, showing balances incurred on each account/activity.
Suspension:	Reduction on budget (Treasury may from time to time withhold or suspend any amount in an estimate of expenditure).
Virement:	Moving of budgeted funds from one account to another account within the same budget of the same office/ministry/agency. The utilization of a saving under one main division/sub division of a vote to defray an excess under another existing division of the same vote.
Unauthorised Expenditure:	Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.
Underexpenditure:	Saving on the budget.
Miscellaneous Revenue:	All revenue collected and not having a specified revenue code.
Tender Board Exemptions:	To free from an obligation (Tender Board Regulations) to which others are subjected.
Commitments:	Funds reserved to acquire goods or services from a supplier.
Suspense accounts:	Is an account opened in the books of Government that records movement of transactions of a temporarily nature, for example salary deductions of housing instalments.
S&T Advance Suspense Account:	A suspense account reflecting the outstanding subsistence and travel advances.
Rejection Account:	A suspense account reflecting names and balances of all persons/companies that owe the money to the State.
Budget:	Is an estimation of the revenue and expenses over a specified future period of time.
Subsistence Advance:	Payment given in advance to an employee to reimburse accommodation, meal and incidental expenses, while on an official assignment.
Performance Information:	Measurement of an individual, group, organization, system or component which is collected, analysed and reported. (Includes Strategic plans, annual plans, performance agreements and personal development plans).

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**REPORT OF THE AUDITOR-GENERAL ON THE
ACCOUNTS OF THE OFFICE OF THE ATTORNEY-GENERAL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This report on the accounts of the Office of the Attorney - General for the financial year ended 31 March 2016 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 Office of the Attorney-General for the financial year ended 31 March 2016. These financial statements comprise the following statements submitted for the year then ended:

- Appropriation Account;
- Standard Subdivisions;
- Departmental Revenue;
- Notes to the financial statements; and
- General information.

The appropriation account was submitted timeously by the Accounting Officer to the Auditor - General in terms of Section 13 of the State Finance Act, Act 31 of 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 Section 12 & 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; an
- (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 Unauthorised expenditure

The unauthorised expenditure mentioned below occurred during the financial year and is reported as such in terms of Section 27(6)(a) of the State Finance Act, Act 31 of 1991.

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of expenditure through virements during the year, one (01) operational subdivision (035 05 002) was exceeded with a total amount of N\$ 1 616.36 which is unauthorised in terms of Section 6(a)(iii) of the State Finance Act, Act 31 of 1991.

It is recommended that the Accounting Officer should monitor the budget regularly in order to ensure that funds are available before expenditure is incurred.

1.5 ACKNOWLEDGEMENT

The assistance and co-operation of the management and staff of the Office of the Attorney-General during the audit is appreciated.

1.6 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Office of the Attorney-General for the financial year ended 31 March 2016 in accordance with the terms of Article 127(2) of the Namibian Constitution and Section 25(1) of the State Finance Act, 1991 (Act 31 of 1991).

In my opinion the financial statements present fairly, in all material respects, the financial position of the Office of the Attorney-General as at 31 March 2016 and its financial performance and its receipts and payments for the year then ended in accordance with Section 12 & 13 of the State Finance Act, 1991.

WINDHOEK, March 2017



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

2015/2016						2014/2015
Service	Authorized expenditure	Actual expenditure	Variations		Actual expenditure	
			Under-expenditure/ (Excess)	Percentage		
N\$	N\$	N\$	N\$	%	N\$	
01. Office of the Attorney-General:						
Original budget	4 332 000					
Less: Virement	(824 075)					
Less: Suspension	(1 198 000)	2 309 925	2 209 033.97	100 891.03	4.37	-
02. Administration and Support Service:						
Original budget	6 982 000					
Less: Virement	(1 903 500)					
Less: Suspension	(3 304 660)	1 773 840	1 719 088.05	54 751.95	3.09	-
03. Provision of Legal Service:						
Original budget	18 454 000					
Plus: Virement	2 554 793					
Less: Suspension	(255 500)	20 753 293	20 503 165.29	250 127.71	1.21	-
04. Civil Litigation:						
Original budget	30 036 000					
Plus: Virement	1 252 005					
Less: Suspension	(4 922 703)	26 365 302	26 083 295.35	282 006.65	1.07	-
05. Public Prosecution:						
Original Budget	74 748 000					
Plus: Virement	985 813					
Less: Suspension	(3 997 173)	71 736 640	71 398 419.13	338 220.87	0.47	-
Total		122 939 000	121 913 001.79	1 025 998.21	0.83	-

The Office was created only during the financial year under review thus no prior year expenditure.

1.2 Standard subdivisions

Subdivision	2015/2016			2014/2015
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
<u>Operational:</u>				
Current expenditure: Personnel				
001. Remuneration	87 151 593	87 134 488.64	17 104.36	-
002. Employer's contribution to GIPF	9 698 259	9 698 591.96	(332.96)	-
003. Other conditions of service	1 927 305	1 927 193.99	111.01	-
005. Employer's contribution to social security commission	147	146.29	0.71	-
Total	98 777 304	98 760 420.88	16 883.12	-
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	6 975 088	6 300 567.13	674 520.87	-
022. Materials and supplies	1 672 282	1 642 263.05	30 018.95	-
023. Transport	46 000	45 852.70	147.30	-
024. Utilities	50 200	49 392.98	807.02	-
027. Other services and expenses	11 863 777	11 560 459.71	303 317.29	-
Total	20 607 347	19 598 535.57	1 008 811.43	-
Current expenditure: Membership fees and subscriptions				
041. International	22 640	22 639.29	0.71	-
Total	22 640	22 639.29	0.71	-
Total: Current expenditure	119 407 291	118 381 595.74	1 025 695.26	-
Capital Expenditure:				
Operational: Acquisition of assets				
101. Furniture and office equipment	531 709	531 406.05	302.95	-
Total	531 709	531 406.05	302.95	-
Total: Operational	531 709	531 406.05	302.95	-
<u>Development:</u>				
105. Feasibility studies, design and supervision	3 000 000	3 000 000.00	-	-
Total: Development	3 000 000	3 000 000.00	-	-
GRAND TOTAL	122 939 000	121 913 001.79	1 025 998.21	-

The Office was created only during the financial year under review thus no prior year expenditure.

1.3 Departmental revenue

Revenue for the year is as follows:

Revenue head	Estimate	Actual revenue 2015/2016	More/(Less) than estimated	Actual revenue 2014/2015
	N\$	N\$	N\$	N\$
Legal Fees	-	1 162 025.46	1 162 025.46	-
Miscellaneous	-	(26 639.51)	(26 639.51)	-
Total	-	1 135 385.95	1 135 385.95	-

1.4 Notes to the financial statements**1.4.1 Departmental Revenue: Explanation of deviations of variances exceeding N\$ 200 000****(i) Legal Fees**

Legal fees are collected in respect of collections by the Directorate Civil Litigation on outstanding debts due to the State. Collection fees of 10% to a maximum of N\$ 250 per payment are charged on each of the collections which are made to settle such debts.

1.4.2 Appropriation account: Explanations of variations exceeding 2% between the authorized and actual expenditure**Underexpenditure****(i) Main Division 01: Office of the Attorney-General (N\$ 100 891.03 - 4.37%)**

Underexpenditure resulted by lesser travelling as anticipated by the Honorable Attorney-General.

(ii) Main Division 02: Administration and Support Service (N\$ 54 751.95 – 3.09%)

The underexpenditure is due to lesser travelling as anticipated by staff members of Administration.

2. GENERAL INFORMATION

2.1 Exemption from normal Tender Board procedures

The Accounting Officer reported approved Tender Exemptions amounting to N\$ 36 905 821 for the following goods and services for the period under review:

Exemption number	Description	Approved exemptions	Actual expenditure	Difference
E1/12-1/2015	Travel and subsistence expenses	N\$ 7 436 821	N\$ 6 300 567.13	N\$ 1 136 253.87
	Materials and supplies	2 881 000	721 551.10	2 159 448.90
	Transport	46 000	-	46 000.00
	Utilities	512 000	28 464.96	483 535.04
	Maintenance expenses	11 000	-	11 000.00
	Property rental	240 000	-	240 000.00
	Other services & expenses	25 779 000	11 152 975.68	14 626 024.32
	Total	36 905 821	18 203 558.87	18 702 262.13

2.2 Suspense Accounts

The main ledger shows balances on three (3) of the Office's suspense accounts as at 31 March 2016, of which two (2) had debit balances and one (1) had a credit balance.

Description	Debit/(Credit)
	N\$
S&T advance suspense account	49 062.74
Rejection Account	30 250.59
Bills Payable	(282 227.61)

2.3 Capital project

The Accounting Officer reported the following capital project, which had been undertaken by the Ministry of Justice since 2013. The project was funded in the 2015/2016 financial year as follows:

Nature of Project	Approved Total budget	Total expenditure as at 31/03/2015	Approved appropriation 2015/2016	Actual expenditure 2015/2016	Total expenditure as at 31/03/2016	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Construction of Prosecutor General's Office	270 000 000	3 667 333.31	3 000 000	3 000 000	6 667 333.31	31/03/2019
Total	270 000 000	3 667 333.31	3 000 000	3 000 000	6 667 333.31	

WINDHOEK, 18 October 2016

ISSASKAR V.K. NDJOZE
ACCOUNTING OFFICER

