



REPUBLIC OF NAMIBIA



Safety Audit



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OFFICE OF THE AUDITOR-GENERAL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012**

Published by authority

Price (Vat excluded) N\$ 20.85
Report 27/2013

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 Auditor-General 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, March 2013

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL
ON THE ACCOUNTS OF THE
OFFICE OF THE AUDITOR-GENERAL
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2012**

1. INTRODUCTION

1.1 Report

This report on the accounts of the Office of the Auditor-General for the financial year ended 31 March 2012 is presented to the National Assembly in accordance with the terms of 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 satisfies 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 to this report.

3. SCOPE OF THE AUDIT

3.1 The Deputy Auditor-General 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 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

4.1.1 Revenue Outstanding

Revenue outstanding to the amount of N\$ 225 754.38 were reported at the end of the financial year as shown in the table below:

| Nature of Revenue | No. of Cases involved | Balance on 01/04/11 | Amount imposed in 2011/2012 | Amount received in 2011/2012 | Balance on 31/03/2012 |
|--------------------------|------------------------------|----------------------------|------------------------------------|-------------------------------------|------------------------------|
| Audit Fees | 2 | N\$ 407 811.60 | N\$ 725 992.58 | N\$ 910 301.18 | N\$ 223 503.00 |
| Private Telephone Calls | 30 | (229.04) | 34 440.65 | 31 960.23 | 2 251.38 |
| Total | | 407 582.56 | 760 433.23 | 942 261.41 | 225 754.38 |

It is recommended that the Accounting Officer enhance recovery to minimise outstanding amounts.

4.1.2 Suspense Accounts

The Office had balances on three (3) suspense accounts, two (2) with debit balances and one (1) with a credit balance for the year under review. Only the bills payable suspense account had a balance exceeding N\$ 100 000 to the amount of N\$ 1 317 146.20.

The Office is commended for reconciling its suspense accounts regularly.

5. ACKNOWLEDGEMENT

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

6. AUDIT OPINION

I certify that I have audited the financial statements of the Office of the Auditor-General for the financial 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, 1991 (Act 31 of 1991).

In my opinion, the financial statements fairly represent the receipts and payments of Vote 04 for the year ended 31 March 2012 and in all material respects the receipts and payments have been applied to the purposes intended by the National Assembly and conform to the authorities which govern them.

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

OFFICE OF THE AUDITOR-GENERAL
269 Independence Avenue
Private Bag 13299
Windhoek
Namibia

1. FINANCIAL STATEMENTS

1.1 Appropriation account

| 2011/2012 | | | | | | 2010/2011 |
|---|------------------------|----------------------|--------------------------------|-------------|----------------------|-----------|
| Service | Authorized expenditure | Actual expenditure | Variations | | Actual expenditure | |
| | | | Under-expenditure/ (Excess) | Percent-age | | |
| N\$ | N\$ | N\$ | N\$ | % | N\$ | |
| 01. Office of the Auditor-General: | | | | | | |
| Original budget | | | | | | |
| Less: Virement | | | | | | |
| | 49 776 000 | 49 749 568.74 | 26 431.26 | 0.05 | 19 426 838.43 | |
| 02. Administration: | | | | | | |
| Original budget | | | | | | |
| Plus: Virement | | | | | | |
| | 9 449 000 | 9 396 169.31 | 52 830.69 | 0.56 | 8 497 396.54 | |
| 03. Auditing: | | | | | | |
| Original budget | | | | | | |
| Plus: Virement | | | | | | |
| | 30 822 327 | 30 621 826.29 | 200 500.71 | 0.65 | 24 644 301.79 | |
| Totals | 90 047 327 | 89 767 564.34 | 279 762.66 | 0.31 | 52 568 536.76 | |

1.2 Standard subdivisions

| Subdivision | 2011/2012 | | | 2010/2011 |
|---|------------------------|----------------------|--------------------------------|----------------------|
| | Authorised expenditure | Actual expenditure | Under-expenditure/ (Excess) | Actual expenditure |
| | N\$ | N\$ | N\$ | N\$ |
| Operational: | | | | |
| Current expenditure: Personnel | | | | |
| 001. Remuneration | 24 844 327 | 24 767 941.31 | 76 385.69 | 19 267 334.44 |
| 002. Employer's contribution to GIPF | 3 160 000 | 3 147 762.74 | 12 237.26 | 2 399 610.86 |
| 003. Other conditions of service | 65 000 | 163 769.48 | 1 230.52 | 567 912.40 |
| Total | 28 169 327 | 28 079 473.53 | 89 853.47 | 22 234 857.70 |
| Current expenditure: Goods and other services | | | | |
| 021. Travel and subsistence expenses | 3 245 000 | 3 144 184.08 | 100 815.92 | 2 831 253.47 |
| 022. Materials and supplies | 569 000 | 568 759.59 | 240.41 | 507 768.03 |
| 023. Transport | 691 000 | 655 179.26 | 35 820.74 | 645 157.88 |
| 024. Utilities | 824 000 | 818 952.25 | 5 047.75 | 788 191.62 |
| 025. Maintenance | 445 000 | 441 120.47 | 3 879.53 | 721 669.67 |
| 027. Other services and expenses | 6 256 000 | 6 244 517.38 | 11 482.62 | 5 305 821.83 |
| Total | 12 030 000 | 11 872 713.03 | 157 286.97 | 10 799 862.50 |
| Current expenditure: Membership fees and subscriptions | | | | |
| 041. International | 79 000 | 76 419.41 | 2 580.59 | 65 323.95 |
| Total | 79 000 | 76 419.41 | 2 580.59 | 65 323.95 |
| Total: Current expenditure | 40 278 327 | 40 028 605.97 | 249 721.03 | 33 100 044.15 |
| Capital expenditure: Acquisition of assets | | | | |
| 101. Furniture and office equipment | 235 000 | 234 304.25 | 695.75 | 947 847.77 |
| 102. Vehicles | 1 534 000 | 1 515 496.23 | 18 503.77 | 896 311.65 |
| Total | 1 769 000 | 1 749 800.48 | 19 199.52 | 1 844 159.42 |
| Total: Operational | 42 047 327 | 41 778 406.45 | 268 920.55 | 34 944 203.57 |
| Development: | | | | |
| 107. Construction, renovation and improvement | 48 000 000 | 47 989 157.89 | 10 842.11 | 17 624 333.19 |
| Total: Development | 48 000 000 | 47 989 157.89 | 10 842.11 | 17 624 333.19 |
| GRAND TOTAL | 90 047 327 | 89 767 564.34 | 279 762.66 | 52 568 536.76 |

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\$ |
| Audit fees | 960 000 | 910 301.18 | (49 698.82) | 1 368 006.15 |
| Private telephone calls | 35 000 | 31 960.23 | (3 039.77) | 30 473.06 |
| *Miscellaneous | 5 000 | 245 771.55 | 240 771.55 | 7 153.08 |
| TOTAL | 1 000 000 | 1 188 032.96 | 188 032.96 | 1 405 632.29 |

*Miscellaneous revenue consists of:

| | N\$ |
|------------------------------|-------------------|
| Sale of annual reports | 270.06 |
| Loss of Access Cards | 390.00 |
| 50/50 Study Leave | 4 200.00 |
| Accident costs | 1 620.00 |
| Refund: Loss of vehicle keys | 1 000.00 |
| Refund Air tickets | 3 410.50 |
| Cell phone charges | 2 249.50 |
| Bank Transfers | 225 039.05 |
| Rectification of Journals | 7 592.44 |
| | 245 771.55 |

1.4 NOTES TO THE FINANCIAL STATEMENTS

1.4.1 Departmental Revenue: Explanation of deviations of N\$ 100 000 and above

(i) Under-estimation

Miscellaneous

The Office hosted a workshop to develop Management skills to the amount of N\$ 225 039.05 which AFROSAI-E refunded during February/March 2012.

2. General Information

2.1 Tender board exemptions

Tender Board approved the following exemptions from normal Tender procedures with reference number E1/21-1/2011:

| Service | Exemption amount | Actual expenditure | Difference |
|---------------------------------|---------------------|-----------------------|---------------------|
| | N\$ | N\$ | N\$ |
| Travel and subsistence expenses | 900 000 | 569 287.00 | 330 713.00 |
| Materials & supplies | 500 000 | 446 398.52 | 53 601.48 |
| Transport | 600 000 | 382 326.99 | 217 673.01 |
| Maintenance expenses | 600 000 | 281 105.31 | 318 894.69 |
| Other services and expenses | 2 400 000 | 1 546 720.44 | 853 279.56 |
| Membership fees | 64 000 | 61 624.00 | 2 376.00 |
| Total | 5 064 000 | 3 287 462.26 | 1 776 537.74 |

2.2 Capital projects

The Office capital project was funded in 2011/2012 financial year as follows:

| Nature of Project | Approved total budget | Approved appropriation 2011/2012 | Total expenditure at 31/03/2011 | Actual expenditure 2011/12 | Total expenditure at 31/03/2012 | Expected year of completion |
|--------------------------|------------------------------|---|--|-----------------------------------|--|------------------------------------|
| New Office Building | N\$ 110 427 000 | N\$ 48 000 000 | N\$ 24 126 901.76 | N\$ 47 989 157.89 | N\$ 72 116 059.65 | 2013/2014 |
| Total | 110 427 000 | 48 000 000 | 24 126 901.76 | 47 989 157.89 | 72 116 059.65 | |

2.3 Gifts/Donations by the Government

The following services valued at N\$ 10 205.64 were rendered by the Office of Auditor-General free of charge with the necessary Treasury authorisation:

| Beneficiary | Nature | Value | Authorization |
|--------------------|---------------|------------------|----------------------|
| Libraries | Free services | N\$ 4 880.82 | 20/13/1/1/04 |
| Universities | Free services | 3 253. 88 | (DB 01/262) |
| SADC Countries | Free services | 444.00 | d.d 4 September 2001 |
| Archives | Free services | 1 626.94 | |
| Total: | | 10 205.64 | |

2.4 Staff Development

Seven (7) staff members were assisted by the Office to further their studies to the amount of N\$ 96 930.65.

WINDHOEK, 14 December 2012

GOMS MENETTÉ
ACCOUNTING OFFICER