



REPUBLIC OF NAMIBIA



REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OFFICE OF THE AUDITOR-GENERAL
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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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 Office of the Auditor-General 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
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FOR THE FINANCIAL YEAR ENDED
31 MARCH 2013**

1. INTRODUCTION

This report on the accounts of the Office of the Auditor-General 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 the Office of the Auditor-General for the financial year ended 31 March 2013. These financial statements comprise the Appropriation Account, Standard Subdivisions; Departmental Revenue, Miscellaneous Revenue for the year 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 Section 12 & 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 controls 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 Other Matters

I draw attention to the following matters:

4.1.1 Under Expenditure

The total budget was underspend with an amount of N\$ 341 940.14 (0.42%).

4.1.2 Suspense Accounts

The main ledger shows balances on three (3) suspense accounts as at 31 March 2013, of which two (2) are credit balances and one (1) debit balance. Only the Bills Payable suspense account had a balance exceeding N\$ 100 000 to the amount of N\$ 1 317 146.20.

4.1.3 Revenue Outstanding

The Accounting Officer reported revenue outstanding to the amount of N\$ 252 497.97 for the financial year as follows:

Nature of Revenue	No. of Cases involved	Balance on 01/04/12	Amount imposed in 2012/2013	Amount received in 2012/2013	Balance on 31/03/2013
Audit Fees	3	N\$ 223 503.00	N\$ 650 776.77	N\$ 623 259.92	N\$ 251 019.85
Private Telephone Calls	51	2 251.38	23 670.91	24 444.17	1 478.12
Miscellaneous	-	-	13 979.24	13 979.24	-
Total		225 754.38	688 426.92	661 683.33	252 497.97

It is recommended that the Accounting Officer should enhance recovery measures to minimise outstanding revenue.

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. UNQUALIFIED 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 2013 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 2013 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
123 Robert Mugabe Avenue
Private Bag 13299
Windhoek
Namibia**

7. FINANCIAL STATEMENTS

7.1 Appropriation account

2012/2013						2011/2012
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	36 987 000					
Less: Virement	(371 000)	36 616 000	36 506 257.86	109 742.14	0.30	49 749 568.74
02. Administration:						
Original budget	10 301 000					
Plus: Virement	202 000	10 503 000	10 464 390.28	38 609.72	0.37	9 396 169.31
03. Auditing:						
Original budget	33 382 000					
Plus: Virement	169 000	33 551 000	33 357 411.72	193 588.28	0.58	30 621 826.29
Totals		80 670 000	80 328 059.86	341 940.14	0.42	89 767 564.34

7.2 Standard subdivisions

Subdivision	2012/2013			2011/2012
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	27 213 000	27 182 101.44	30 898.56	24 767 941.31
002. Employer's contribution to GIPF	3 430 000	3 426 037.47	3 962.53	3 147 762.74
003. Other conditions of service	317 000	314 399.66	2 600.34	163 769.48
Total	30 960 000	30 922 538.57	37 461.43	28 079 473.53
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	3 757 000	3 624 703.86	132 296.14	3 144 184.08
022. Materials and supplies	599 000	597 188.01	1 811.99	568 759.59
023. Transport	827 000	815 723.54	11 276.46	655 179.26
024. Utilities	863 000	862 985.20	14.80	818 952.25
025. Maintenance	1 080 000	1 079 830.98	169.02	441 120.47
027. Other services and expenses	7 480 000	7 391 760.87	88 239.13	6 244 517.38
Total	14 606 000	14 372 192.46	233 807.54	11 872 713.03
Current expenditure: Membership fees and subscriptions				
041. International	64 000	63 836.24	163.76	76 419.41
Total	64 000	63 836.24	163.76	76 419.41
Total: Current expenditure	45 630 000	45 358 567.27	271 432.73	40 028 605.97
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	40 000	39 906.24	93.76	234 304.25
102. Vehicles	-	-	-	1 515 496.23
Total	40 000	39 906.24	93.76	1 749 800.48
Total: Operational	45 670 000	45 398 473.51	271 526.49	41 778 406.45
Development:				
107. Construction, renovation and improvement	35 000 000	34 929 586.35	70 413.65	47 989 157.89
Total: Development	35 000 000	34 929 586.35	70 413.65	47 989 157.89
GRAND TOTAL	80 670 000	80 328 059.86	341 940.14	89 767 564.34

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

(i) Under-estimation

Audit Fees

	N\$
Revenue received, which were not included in the estimate of revenue:	35 666.40
Revenue included in the estimate, which did not realize:	(593 000.00)
Under-estimates:	140 268.37
Over-estimates	(99 674.85)
Total amount Under-estimate:	516 740.08

8. GENERAL INFORMATION

8.1 Tender Board exemptions

Tender Board approved the following exemption from Normal Tender procedures with reference number E1/21-1/2012:

Service	Estimated amount N\$	Actual expenditure N\$	Difference N\$
Travel and Subsistence Allowance	1 500 000	666 226.20	833 773.80
Material and Supplies	500 000	480 981.68	19 018.32
Transport	600 000	557 490.41	42 509.59
Maintenance Expenses	1 200 000	986 809.35	213 190.65
Other Services and Expenses	2 500 000	1 871 980.15	628 019.85
Membership Fees and subscription {international}	83 000	53 298.00	29 702.00
Total	6 383 000	4 616 785.79	1 766 214.21

8.2 Capital projects

The Office's Development project was funded in 2012/2013 financial year as follows:

Nature of Project	Approved total budget N\$	Approved appropriation 2012/2013 N\$	Total expenditure at 31/03/2012 N\$	Actual expenditure 2012/13 N\$	Total expenditure at 31/03/2013 N\$	Expected year of completion
New Office Building	110 427 000	35 000 000	72 116 059.65	34 929 586.35	107 045 646	2013/2014
Total	110 427 000	35 000 000	72 116 059.65	34 929 586.35	107 045 646	

8.3 Gifts/Donations by the Government

The following services valued at N\$ 10 582.14 were rendered by the Office of the Auditor-General free of charge with the necessary Treasury authorisation:

Beneficiary	Nature	Value	Authorization
		N\$	
Libraries	Free services	5 047.77	20/13/1/1/04
Universities	Free services	3 365.18	(DB 01/262)
SADC Countries	Free services	486.60	d.d 4 September 2001
Archives	Free services	1 682.59	
Total:		10 582.14	

8.4 Staff Development

Thirteen (13) staff members were assisted by the Office to further their studies to the amount of N\$ 379 434.89.

8.5 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\$
Audit fees	1 140 000	623 259.92	516 740.08	910 301.18
Private telephone calls	28 000	24 444.17	3 555.83	31 960.23
*Miscellaneous	2 000	13 979.24	(11 979.24)	245 771.55
TOTAL	1 170 000	661 683.33	508 316.67	1 188 032.96

*Miscellaneous revenue consists of:

	N\$
Sale of annual reports	150.96
Loss of Access Cards	555.00
Private photocopies	85.50
Damage caused to GRN 8224	1 000.00
Repayment of Study assistance	500.00
Refund: Accommodation-MDP Workshop	700.00
Refund: Cellphone Expenses while on leave	1 500.00
Damage caused to GRN 8224	1 000.00
S&T Advance deducted from manual cheque	2 400.00
Rectification journals	4 400.00
Rectification journals	1 687.78
	13 979.24

8.6 Vehicle Accidents

The Office reported one (1) accident for the financial year and the vehicle was repaired at a cost of N\$ 63 508.89.

WINDHOEK, 03 December 2013

**GOMS MENETTÉ
ACCOUNTING OFFICER**