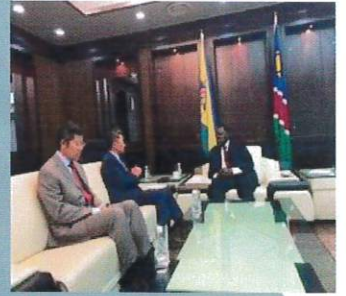
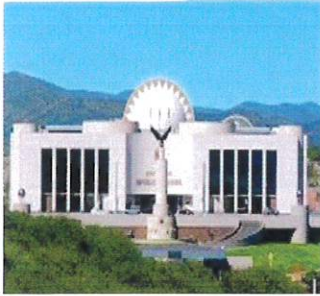




REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OFFICE OF THE PRESIDENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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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 President for the financial year ended 31 March 2023 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, FEBRUARY 2024

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

10/10/10

TABLE OF CONTENTS

1.	SECTION A: FINANCIAL AUDIT	1
1.1	QUALIFIED AUDIT OPINION	1
1.2	BASIS FOR QUALIFIED AUDIT OPINION	1
1.2.1	GIFTS, DONATIONS AND GRANTS BY GOVERNMENT	1
1.2.2	MOVABLE PROPERTY RECEIVED WITHIN GOVERNMENT.....	1
1.2.3	CREDIT CARDS	2
1.3	KEY AUDIT MATTERS.....	3
1.4	EMPHASIS OF MATTERS.....	3
1.4.1	Suspense accounts	3
1.4.1.1	Bills payable suspense accounts	3
1.4.1.2	Zero balance suspense accounts	3
1.5	OTHER MATTERS.....	4
1.5.1	Disaster Recovery Policy and Plan.....	4
1.5.2	Risk management	4
1.5.3	Compensation payments (claims against the State).....	4
1.5.5	OUTSTANDING SUBSISTENCE ADVANCES	5
1.6	OTHER INFORMATION.....	5
2.	SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION	5
2.1.	COMPLIANCE TO LAWS AND REGULATIONS	5
2.2	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE.....	6
2.3	AUDIT OBJECTIVE	6
2.4	AUDIT CRITERIA.....	6
2.5	SUMMARY OF METHODS APPLIED.....	6
2.6	KEY AUDIT FINDINGS	6
2.6.1.1	Unauthorized expenditure.....	6
2.7	UNQUALIFIED AUDIT OPINION ON THE SUBJECT MATTER.....	7
3.	AUDIT OF PERFORMANCE INFORMATION.....	7
3.1	DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE	7
3.2	AUDIT OBJECTIVE.....	7
3.3	AUDIT CRITERIA.....	7
3.4	AUDIT FINDINGS.....	8
4.	RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS	8
5.	AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS	8
6.	GENERAL INFORMATION	10
7.	ACKNOWLEDGEMENT.....	10
	ANNEXURE A.....	11
1.	AUDITED FINANCIAL STATEMENTS	11
1.1	APPROPRIATION ACCOUNT	11
1.2	STANDARD SUBDIVISIONS	12
1.3	DEPARTMENTAL REVENUE.....	13
1.4	NOTES TO THE FINANCIAL STATEMENTS.....	13
2.1.	MISCELLANEOUS REVENUE.....	14
2.2.	DEBT TO GOVERNMENT	14
2.3.	CAPITAL PROJECTS.....	14
2.4.	AIRCRAFT	14
2.5.	ANNUAL STOCKTAKING	14
2.6.	STORES AND DEPOTS	14

2.7.	INTERNAL INSPECTIONS	15
2.8	VEHICLES (PERMANENTLY ALLOCATED)	15
2.8.1	VEHICLES ON HAND	15
2.8.2	VEHICLE ACCIDENTS-COST OF DAMAGES.....	15
2.9	SUSPENSE ACCOUNTS.....	15
2.10	OUTSTANDING SUBSISTENCE ADVANCES	15
2.11	CREDIT CARDS	15
2.13	BURSARY AND STUDY ASSISTANCE.....	16

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.
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).
Key performance indicator (KPI):	A measurable value used to monitor and demonstrates how effectively an organization is achieving key business objectives.

International Standards of Supreme Audit Institutions (ISSAI):	Professional standards and best practice guidelines for public sector auditors, officially authorised and endorsed by the International Organisation of Supreme Audit Institutions (INTOSAI).
Attestation engagement:	It is when a responsible party (the entity) measures the subject matter against the criteria and presents the subject matter information, on which you, the auditor, then gather sufficient and appropriate audit evidence to provide a reasonable basis for forming a conclusion.
Subject matter:	Refers to the information, condition or activity that is measured or evaluated against certain criteria.
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that affects the decision of the user.
OMA:	Office/Ministry/Agency
Types of Audit Opinions:	<p>Unqualified Opinion. In an unqualified report, the auditors conclude that the financial statements of your O/M/A's present fairly its affairs in all material aspects.</p> <p>Qualified Opinion. An auditor's report is qualified when there is either a limitation of scope in the auditor's work, or when there is a disagreement with management regarding application, acceptability or adequacy of accounting policies.</p> <p>Disclaimer Opinion. Auditors do not express an opinion on the financial position of a firm because they have not completed an examination of its accounts or the examination is not broad enough in scope to enable them to form an opinion.</p> <p>Adverse Opinion. The Financial statements of an O/M/A's do not fairly present its actual financial position and the required information was either not disclosed, or (if disclosed) was inadequately disclosed or was inaccurate.</p>
Reasonable Assurance:	It is when the audit conclusion is expressed positively, conveying that, in the auditor's opinion, the subject matter is or is not compliant in all material respects or, where relevant, that the subject matter information provides a true and fair view, in accordance with the applicable criteria.
Limited Assurance:	It is when the audit conclusion states that, based on the procedures performed; nothing has come to the auditor's attention to cause the auditor to believe that the subject matter is not in compliance with the criteria.

Direct reporting engagement:

It is when an auditor measures or evaluates the subject matter against the criteria. The auditor is responsible for producing the subject matter information. The auditor selects the subject matter and criteria, taking into consideration risk and materiality. By measuring the subject matter evidence against the criteria, the auditor is able to form a conclusion.

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
OFFICE OF THE PRESIDENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

1. SECTION A: FINANCIAL AUDIT

1.1 QUALIFIED AUDIT OPINION

I have audited the financial statements of the Office of the President for the financial year ended 31 March 2023, provided by the Accounting Officer as attached in Annexure A. These financial statements comprise the Appropriation account, Standard subdivisions, Departmental revenue, notes to the financial statements and general information for the financial year then ended, and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis for Qualified Audit Opinion paragraph, the financial statements of the Office of the President as at 31 March 2023 are prepared, in all material respects, in accordance with Section 12 and 13 of the State Finance Act, 1991(Act 31 of 1991).

1.2 BASIS FOR QUALIFIED AUDIT OPINION

I conducted my audit in accordance with International Standards for Supreme Audit Institutions. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to my audit of the financial statements in Namibia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. My opinion has been qualified due to the following:

1.2.1 Gifts, donations and grants by Government

The Office was granted authorization to incur expenditure not exceeding N\$ 250 000.00 for gifts/grants/financial aid and donations. However, the audit found that the Office of the President exceeded the amount authorised by Treasury (Treasury authorization (2022/33 AM), by N\$ 181 680.78.

It is recommended that the Accounting Officer should ensure that the amount authorized by Treasury is not exceeded, and any deviation Treasury approval be obtained.

Management comment

The Accounting Officer indicated that the Office is in agreement and that it was an oversight not to request for an additional authorisation. In future, the Office will look for Treasury authorisation for any deviation.

1.2.2 Movable property received within Government

The Accounting Officer reported movable property received within Government valued at N\$ 535 713 191.38, however, the audit found that the value of the assets is valued at N\$ 538 292 888.48, thus resulting in an unexplained difference of N\$ 2 579 697.10.

Management comment

The Accounting Officer is in agreement with the variance, this resulted from calculation errors.

It is recommended that the Accounting Officer should ensure that measures are put in place to ensure that all amounts are correctly and accurately disclosed.

1.2.3 Credit cards

- 1.2.3.1 The Office does not have a formal operational policy/guideline/directive in place for the use of credit cards to ensure consistency and adherence to established protocols.

It is recommended that the Accounting Officer should ensure that a formal policy/guideline/directive are developed and implemented to promote financial integrity, minimise risks and foster accountability on the usage of credit cards.

Management comment

The Accounting Officer indicated that the recommendation will be implemented during the 2023/2024 financial year.

- 1.2.3.2 During an official mission to the Ivory Coast (Abidjan), an amount of N\$ 10 646.86 was withdrawn from the credit card. As per the expenditure report, the funds have been used as gratuity for the Security and Protocol team that was attached to H.E, the President and delegation on the instruction of the private office. The auditors have not been provided with the authorisation from the private office to determine the authenticity/validity of the transactions, and to substantiate the withdrawal of funds.

It is recommended that the Accounting Officer should provide the authorisation for the withdrawal of funds used for gratuity payments.

Management comment

The Accounting Officer indicated that the Office is in agreement and still waiting for the authorisation from the private office.

- 1.2.3.3 An internal memo issued on 04 January 2023, authorized a staff member to withdraw an amount of N\$ 23 210 from the credit card to cater for entertainment expenses. However, the audit found that the credit card holder withdrew an amount of N\$ 23 300 as per the bank statement dated 30 January 2023, and the expenditure incurred as per invoices amounted to N\$ 21 332.24, thus resulting in an unexplained/unaccounted difference of N\$ 1 967.76. An explanation/motivation was not provided why the authorised amount was exceeded, and how the remaining amount of N\$ 1 967.76 was utilised.

It is recommended that the Accounting Officer should provide an explanation why the authorised withdrawal amount was exceeded, and provide evidence on how the N\$ 1 967.76 was utilized.

Management comment

The Accounting Officer indicated that the Office is in agreement and will issue a letter to recover the amount from the responsible official.

1.2.4 Daily subsistence and travel allowances (DSA)

- 1.2.4.1 Treasury DL 0101 - DL 0109 requires that expenditure should be charged from the standardized codes to which they belong. However, the audit found that entertainment allowances for the First Lady amounting to N\$ 50.000.00 were paid from the DSA subdivision to the two (2) staffmembers:

The auditors were also not provided with an explanation why the First Lady's entertainment allowance is paid from the DSA subdivision through staff members' DSA allowances.

Management comment

The Accounting Officer indicated that the Office is in agreement with the finding and will ensure that the reallocation journal will be compiled after the trip to charge the correct account.

It is recommended that the Accounting Officer should ensure that expenditure is charged to the correct account codes and be paid to the rightful recipient.

1.3 KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there were no key audit matters to communicate in my report.

1.4 EMPHASIS OF MATTERS

Attention is drawn to the following matters that relate to my responsibility in the audit of the financial statements, as disclosed by the Office of the President in the financial statements. My opinion is not modified in respect of these matters:

1.4.1 Suspense accounts

1.4.1.1 Bills payable suspense accounts

The Office's Bills payable suspense account reflects a debit balance of N\$ 160 891.82 instead of a credit balance.

It is recommended that the Accounting Officer should ensure that this suspense account is reconciled.

Management comment

The Accounting Officer indicated that the Office took note of the recommendation, but it is worth mentioning that this balance will be cleared once Ministry of Finance and Public Enterprises will clear the outstanding Accounts Payable and Payroll migration.

1.4.1.2 Zero balance suspense accounts

The following suspense accounts had unexplained credit balances at year end while the suspense accounts should have had zero balances:

Suspense account	Balance as at 31 March 2023 Debit/(Credit) N\$
Electronic Fund Transfer (EFT)	(83 305.62)
Pension Fund: GIPF	(2 584.10)

It is recommended that the Accounting Officer should provide an explanation for the balances on the suspense accounts, and should ensure suspense accounts are timely reconciled to reflect a zero balance.

Management comment

The Accounting Officer indicated that the Office took note of the recommendation. During the reconciliation it was picked up that only the first entry reflects on the EFT, thus the service provide of IFMS was engaged to investigate the matter. The GIPF was an overpayment and will be cleared during the 2023/2024 financial year.

1.4.2 Main division names

Differences were noted in the name of main division 03 as follows:

Name of main division as per Appropriation account	Name of main division as per Budget book
Office of the Founding President	Office of the Former Presidents

It is recommended that the Accounting Officer should provide an explanation why the name of the main division on the Appropriation account differs from the budget book.

Management comment

The Accounting Officer took note of the recommendation and will approach Ministry of Finance and Public Enterprises to effect the correction.

1.5 OTHER MATTERS

Attention is drawn to the management on the following matters that relate to my responsibility in the audit of the financial statements, and excluding matters already disclosed by the Office of the President in the financial statements. My opinion is not modified in respect of these matters:

1.5.1 Disaster Recovery Policy and Plan

The audit found that the Office does not have a disaster recovery policy and plan in place to provide information and guidance on the strategies that should be followed to ensure continuity and service delivery in the event of a disaster.

A disaster recovery plan is an integral part of the overall risk management of an Office since risks are timely addressed when it occurs. A disaster recovery plan assist management to prepare for potentially disruptive events. This process is critical for risk management as it provides detailed strategies on how the Office will address interruptions in event of disaster or disruptions.

It is recommended that the Accounting Officer should ensure a disaster recovery policy and plan is in place to ensure operations continue in the event a disaster occurs.

Management comment

The Accounting Officer agrees that the Office does not have a disaster recovery policy and plan, but has a disaster recovery site in place and will benchmark with other OMAs and prepare the said plan and policy to be done during the 2024/2025 financial year.

1.5.2 Risk management

It was observed that the Office has an approved risk management policy in place, however, there was no formal risk identification, assessment/review done for the year under review. In the absence of formal risk identification, assessment and review, the Office might not be able to identify, prioritize and respond to its most critical strategic and operational risk, which could result in the Office not achieving its objectives.

It is recommended that the Accounting Officer should ensure the risk management framework/policy is fully implemented to ensure effective management of the Office risks.

Management comment

The Accounting Officer indicated that the Office will implement the recommendation and the risk identification and assessment/review will be done during the 2024/2025 financial year.

1.5.3 Compensation payments (claims against the State)

The Accounting Officer did not report a claim instituted against the State. The audit found that a dispute was settled at a conciliation hearing that was conducted at the Office of the Labour Commissioner on 04 April 2022, involving the Office of the President and an applicant which was not reported. The Accounting Officer also did not submit the annual statement as well the amount involved in the format required by Circular D12/2023 of the Auditor-General.

It is recommended that the Accounting Officer should provide the annual statement in the format required by Circular D12/2023 of the Auditor-General.

Management comment

The Accounting Officer took note of the recommendation and will ensure that the financial statements are prepared in accordance with Circular D12/2023 of the Auditor-General.

1.5.4 Losses and damages

The Accounting Officer did not report damages on vehicles caused by vehicle accidents as required by Circular D12/2023 of the Auditor-General.

It is recommended that the Accounting Officer should provide a corrected statement for audit purposes.

Management comment

The Accounting Officer indicated that the Office took note of the recommendation and will ensure that financial statement are prepared in accordance with Circular 12/2023 of the Office of the Auditor-General.

At the time of writing this report, the Accounting Officer did not submit an amended statement for audit.

1.5.5 Outstanding subsistence advances

The Accounting Officer also did not submit the annual statement in the format required by Circular D12/2023 of the Auditor-General.

It is recommended that the Accounting Officer should provide the supporting documents for audit purposes and should provide the annual statement in the format required by Circular D12/2023 of the Auditor-General.

Management comment

The Accounting Officer did not submit any comments.

At the time of writing this report, the Accounting Officer did not submit an amended statement for audit.

1.6 OTHER INFORMATION

Management is responsible for the other information. My opinion on the financial statements does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

2. SECTION B: COMPLIANCE AUDIT AND AUDIT OF PERFORMANCE INFORMATION

2.1. COMPLIANCE TO LAWS AND REGULATIONS

SUBJECT MATTER: FINANCIAL PERFORMANCE AND THE USE OF APPROPRIATED FUNDS

I have audited the financial performance and the use of appropriated funds of the Office of the President for the financial year ended 31 March 2023.

2.2 Description of the subject matter information and audit scope

The audit aimed to determine whether the Office of the President's financial performance and the use of its appropriated funds is in compliance with the Appropriation Act, 2022 (Act 2 of 2022); Appropriation Amendment Act, 2022 (Act 7 of 2022); State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Public Procurement Amendment Act, 2022 (Act 3 of 2022); Treasury Instructions and Public Procurement Regulations during the financial year ended 31 March 2023.

2.3 Audit objective

The objective of this compliance audit is to verify and assess whether the Office of the President has complied with all laws and regulations that have an impact on the financial statements in accordance with the ISSAIs. This audit is an attestation engagement where the Office presented the subject matter information on which the auditor then gathered sufficient and appropriate audit evidence to provide limited assurance in forming an opinion. In forming an opinion, the findings and recommendations are taken into consideration.

In addition, the objective of this audit is to verify and assess whether public funds have been used appropriately and lawfully, and to report issues of non-compliance so that corrective action is taken and compliance to laws and regulations is strengthened.

2.4 Audit criteria

The audit criteria of this compliance audit are derived from the following laws and regulations stated below:

Appropriation Act, 2022 (Act 2 of 2022);
Appropriation Amendment Act, 2022 (Act 7 of 2022);
State Finance Act, 1991 (Act 31 of 1991);
Public Procurement Act, 2015 (Act 15 of 2015);
Public Procurement Amendment Act, 2022 (Act 3 of 2022);
Treasury Instructions; and
Public Procurement Regulations.

2.5 Summary of methods applied

I have audited the financial statements for the financial year ended 31 March 2023 submitted by the Accounting Officer in order to determine whether this information complied with laws and regulations that governs them.

2.6 KEY AUDIT FINDINGS

2.6.1 Expenditure

2.6.1.1 Unauthorized expenditure

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

Although Treasury authorization was obtained to utilise certain expected savings for the defrayal of expenditure by way of virements during the year, five (5) subdivisions were exceeded with a total amount of N\$ 5 528 744.60. This excess is unauthorised in terms of Section 6(a)(iii) of the State Finance Act, 1991.

It is recommended that the Accounting Officer should implement budgetary control measures to prevent unauthorised expenditure in future.

2.6.1.2 Underexpenditure

Treasury Instruction DC 0202 (a) states that *“When drawing up draft estimates Accounting Officers and their Financial Advisers shall take note of and guard against that more funds than can reasonably be spent shall not be requested”*. However, the audit found that the total budget was underspent with an amount of N\$ 21 277 167.97 (2.93%). This money could have been used for other National pressing needs.

It is recommended that the Accounting Officer should ensure Treasury Instruction DC 0202 (a) is adhered to at all times and should ensure that budgeted and planned activities are carried out timely or ensure funds are suspended.

2.7 UNQUALIFIED AUDIT OPINION ON THE SUBJECT MATTER

In my opinion, the Office of the President’s financial performance and the use of appropriated funds is in all material respects, in compliance, with the Appropriation Act, 2022 (Act 2 of 2022), Appropriation Amendment Act, 2022 (Act 7 of 2022), State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Public Procurement Amendment Act, 2022 (Act 3 of 2022), Treasury Instructions and Public Procurement Regulations.

3. AUDIT OF PERFORMANCE INFORMATION

I have not audited the performance information of the Office of the President for the financial year ended 31 March 2023.

3.1 DESCRIPTION OF THE SUBJECT MATTER INFORMATION AND AUDIT SCOPE

A Performance Management System (PMS) is a systematic process for achievement and improvement in obtaining results from an organization and its staff members by managing performance within an agreed framework consisting of objectives, outputs, key performance indicators (KPIs) and timeliness.

The primary function of the PMS is to enable Offices, Ministries and Agencies (OMAs) to achieve success in National Development Plans (NDP) and provide improvements in service delivery to the public.

3.2 AUDIT OBJECTIVE

The objective of the Key Performance Indicator (KPI) audit is to provide assurance on whether the reported performance information measured against key performance indicators is useful, reliable and evidence-based. Key performance indicators also provide the basis for the (OMAs) to inform the Parliament, the public and other stakeholders on its strategic priorities, programs, and projects.

The objective of this audit is also to provide reasonable assurance to Parliament, members of the general public and other relevant stakeholder whether the reported actual performance has actually occurred and is based on the selected criteria.

3.3 AUDIT CRITERIA

In this audit, the performance information are tested against the following selected criteria/sub-criteria:

- Compliance with legislative requirements;
- Usefulness;
- Reliability;
- Existence;
- Timeliness;
- Presentation;
- Measurability;
- Relevance;
- Consistency;
- Validity;
- Accuracy; and
- Completeness.

3.4 AUDIT FINDINGS

The key performance Indicator (KPI), “promote the image of the office” was selected for the audit for the financial year under review, however, the office did not provide the supporting documents (the signed quarterly review and the Annual plan review for the audit, thus resulting in a scope limitation.

It is recommended that the Accounting Officer should provide the signed Annual Plan Review and Quarterly Review reports for the audit purposes.

3.5 CONCLUSION ON THE SUBJECT MATTER

The audit revealed an unsatisfactory outcome as the actual output and supporting documents for the selected KPIs were not provided for audit purposes as the required performance information was not submitted for audit.

4. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 12 and 13 of the State Finance Act, 1991, (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.

In preparing the financial statements, management is responsible for assessing the entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible of overseeing the entity’s financial reporting process.

The management is also responsible for ensuring adherence to the Appropriation Act, 2022 (Act 2 of 2022); Appropriation Amendment Act, 2022 (Act 7 of 2022); State Finance Act, 1991 (Act 31 of 1991), Public Procurement Act, 2015 (Act 15 of 2015), Public Procurement Amendment Act, 2022 (Act 3 of 2022); Treasury Instructions and Public Procurement Regulations and to ensure that effective and efficient internal controls are implemented to enable compliance to the law that governs the performance information.

5. AUDITOR’S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditor’s report that includes my

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

My powers and duties towards auditing and reporting on the financial statements and compliance to the subject matter are outlined under Section 25(1) (c), Section 26(1) and Section 27(3) of the State Finance Act, 1991 (Act 31 of 1991).

As part of an audit in accordance with the International Standards for Supreme Audit Institutions, I exercise professional scepticism throughout the audit, I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- It is also my responsibility to express an opinion on whether the financial performance and the use of appropriated funds is, in all material respect is in compliance with the Appropriation Act, 2022 (Act 2 of 2022), Appropriation Amendment Act, 2022 (Act 7 of 2022), Treasury Instructions, Procurement Act, 2015 (Act 15 of 2015), Public Procurement Amendment Act, (Act 3 of 2022) and Public Procurement Regulations. I have conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). Those standards required that I comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the audited entity is in compliance with the authorities that govern the audited entity in the execution of its roles and responsibilities.

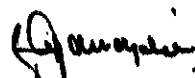
6. GENERAL INFORMATION

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A. The accounts were submitted by the Accounting Officer to the Auditor-General on 31 August 2023 in terms of Section 13 of the State Finance Act, 1991.

7. ACKNOWLEDGEMENT

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

WINDHOEK, FEBRUARY 2024



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

Service	2022/2023				2021/2022	
	N\$	Authorised expenditure N\$	Actual expenditure N\$	Variations		Actual expenditure N\$
				Under-expenditure/ (Excess) N\$	Percentage %	
01. Office of the President:						
Original budget	89 285 000					
Additional budget	21 462 000					
Plus: Virement	9 903 773	120 650 773	114 008 692.54	6 642 080.46	5.51	92 750 456.48
02. Administration:						
Original budget	364 912 000					
Additional budget	85 250 000					
Less: Virement	(8 617 400)	441 544 600	431 143 984.94	10 400 615.06	2.36	361 001 866.43
03. Office of the Former Presidents:						
Original budget	11 743 000					
Additional budget	2 100 000					
Plus: Virement	427 743	14 270 743	12 776 204.46	1 494 538.54	10.47	12 519 438.74
04. Vice President:						
Original budget	12 567 000					
Additional budget	3 350 000					
Less: Virement	(1 714 116)	14 202 884	11 462 950.09	2 739 933.91	19.29	10 409 825.05
05. Trade Investment Board:						
Original budget	135 000 000	135 000 000	135 000 000.00	-	-	125 436 821.62
Total		725 669 000	704 391 832.03	21 277 167.97	2.93	602 118 408.32

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2022/2023			2021/2022
	Authorised expenditure	Actual expenditure	Under-expenditure/ (excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	84 373 927	84 334 566.49	39 360.51	81 405 231.15
002. Employer's contribution to staff's pension fund and M P O O B P F	7 682 000	7 624 723.87	57 276.13	7 587 141.24
003. Other conditions of service	2 642 600	2 117 288.08	525 311.92	1 612 145.58
005. Employers contribution to social security	216 700	209 013.15	7 686.85	209 332.69
Total	94 915 227	94 285 591.59	629 635.41	90 813 850.66
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	52 864 773	48 657 077.34	4 207 695.66	25 698 311.57
022. Materials and supplies	4 027 000	3 608 692.16	418 307.84	2 852 818.99
023. Transport	9 010 000	7 107 436.30	1 902 563.70	3 943 911.05
024. Utilities	30 566 000	28 603 201.78	1 962 798.22	17 798 452.41
025. Maintenance expenses	17 003 000	14 773 398.24	2 229 601.76	393 514.95
027. Other services and expenses	29 582 000	24 081 158.83	5 500 841.17	34 551 888.24
Total	143 052 773	126 830 964.65	16 221 808.35	85 238 897.21
Current expenditure: Subsidies, grants and other transfers				
041. Membership fees and subscription: International	140 000	119 144.25	20 855.75	115 876.35
043. Government organizations	426 561 000	426 561 000.00	-	381 897 821.62
Total	426 701 000	426 680 144.25	20 855.75	382 013 697.97
Total: Current expenditure	664 669 000	647 796 700.49	16 872 299.51	558 066 445.84
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	875 000	524 634.16	350 365.84	196 825.30
103. Operational equipment, machinery and plant	125 000	111 250.00	13 750.00	904 919.90
Total: Capital expenditure	1 000 000	635 884.16	364 115.84	1 101 745.20
Total: Operational expenditure	665 669 000	648 432 584.65	17 236 415.35	559 168 191.04
Development:				
Capital expenditure: Acquisitions of assets				
111. Furniture and office equipment	8 000 000	12 764 766.00	(4 764 766.00)	-
113. Operational equipment, machinery and plant	-	-	-	5 000 000.00
115. Feasibility studies, design and supervision	6 000 000	6 000 000.00	-	9 766 000.00
117. Construction, renovation and improvements	46 000 000	37 194 481.38	8 805 518.62	28 184 217.28
Total: Development expenditure	60 000 000	55 959 247.38	4 040 752.62	42 950 217.28
GRAND TOTAL	725 669 000	704 391 832.03	21 277 167.97	602 118 408.32

1.3 Departmental revenue

Revenue for the year is reported as follows:

Revenue head	Estimate	Actual revenue 2022/2023	More/(Less) than estimated	Actual revenue 2021/2022
	N\$	N\$	N\$	N\$
Private telephone calls	-	9 220.92	9 220.92	16 749.37
Miscellaneous	200 000	301 311.32	101 311.32	600 365.04
Total	200 000	310 532.24	110 532.24	617 114.41

1.4 Notes to the financial statements**1.4.1 Appropriation account: Explanations of variations exceeding 2% between the authorized and actual expenditure****Underexpenditure****Main division 01 – Office of the President (N\$ 6 642 080.46 - 5.51%)**

During the budgeting process, the Office anticipated to carry out activities which could not materialise due to delays by the Ministry of Finance and Public Enterprises in uploading additional funds. In addition, funds released could also not be expended as planned, due to the lengthy procurement process. Hence, funds were underutilised on ceremonial events and acquiring of office furniture.

Main division 02 - Administration (N\$ 10 400 615.06 - 2.36%)

The Office anticipated to carry out activities as planned during the budgeting process which could not materialise due to delays by the Ministry of Finance and Public Enterprises in uploading additional funds. In addition, funds released could also not be expended as planned due to the lengthy procurement process. Hence, funds were underutilised on maintenance of office infrastructure.

Main division 03 - Office of the Former Presidents (N\$ 1 494 538.54 - 10.47%)

The Office anticipated more official visits abroad for the Founding President, the Former President, their security personnel and support staff at their behest during the budget process, but this was not the case, as only few trips were undertaken and less ceremonial events took place.

Main division 04 - Vice President (N\$ 2 739 933.91 - 19.29%)

The Office anticipated to carry out activities as planned during the budgeting process, which could not materialise due to delays by the Ministry of Finance and Public Enterprises in uploading additional funds. In addition, funds released could also not be expended as planned due to the lengthy procurement process. Hence, funds were underutilised on maintenance of office infrastructure.

The Office anticipated more official visits abroad for the Vice President and support staff, however, less trips were undertaken, ceremonial events also did not take place as planned.

ANNEXURE A (continued)

2. GENERAL INFORMATION

2.1. Miscellaneous revenue

The Accounting Officer reported a breakdown of miscellaneous revenue as follows:

Description	Amount
	N\$
Sale of equipment	18 249.12
Miscellaneous repayments	921.04
Correction journals	282 141.16
Total	301 311.32

2.2. Debt to Government

The Accounting Officer reported various debts to Government amounting to N\$ 240 898.16 as at 31 March 2023.

2.3. Capital projects

For the financial year under review, the Accounting Officer reported the following in respect of the Office's development projects:

Project name	Approved total budget	Total expenditure as at 31/03/2022	Approved appropriation 2022/2023	Actual expenditure 2022/2023	Total expenditure as at 31/03/2023	Expected year of completion
	N\$	N\$	N\$	N\$	N\$	
Upgrading of State Security Infrastructure	1 830 343 000	724 968 000.00	27 000 000	31 764 766.00	756 732 766.00	31/03/2025
Construction of Chief Hosea Kutako Shrine in Aminus	14 000 000	7 084 217.28	33 000 000	24 194 481.38	31 278 698.66	31/03/2025
TOTAL	1 844 343 000	732 052 217.28	60 000 000	55 959 247.38	788 011 464.66	

2.4. Aircraft

During the financial year under review, the Accounting Officer reported that the Office spent N\$ 2 755 009.80 on direct expenditure incurred in respect of aircraft services.

2.5. Annual stocktaking

The Accounting Officer reported that annual stocktaking was conducted at all of its fifteen (15) stock points for the financial year under review with the necessary Treasury approval, and stock on hand valued at N\$ 53 214 665.47 was reported.

2.6. Stores and depots

Stores on hand for stores held at main store room – Head Office as at 31 March 2023 was reported as N\$ 384 127.54 by the Accounting Officer.

ANNEXURE A (continued)

2.7. Internal inspections

The Accounting Officer reported that internal inspections were conducted at all fifteen (15) stockpoints during the financial year under review.

2.8 Vehicles (Permanently allocated)

2.8.1 Vehicles on hand

The Accounting Officer reported vehicles on hand as at 31 March 2023 as follows:

Vehicle type	Number
Sedans	70
Pick ups	93
Motor bikes	17
Ambulances	3
Total	183

2.8.2 Vehicle accidents-Cost of damages

The Accounting Officer reported six (6) vehicles to be repaired at 01 April 2022, six (6) vehicle accidents were reported for the financial year under review, of which five (5) vehicles were repaired at a total cost of N\$ 409 411.37, thus, seven (7) vehicles were yet to be repaired at the closure of the financial year under review.

2.9 Suspense accounts

The final ledger shows six (6) suspense accounts with balances at the end of the financial year of which two (2) had credit balances and four (4) with debit balances as follows:

Suspense account	Balance as at 31 March 2023 Debit/(Credit)
	N\$
Receipt suspense	1 002.00
S&T advance suspense account	1 384 422.20
Rejection account	240 641.24
Bills payable	160 891.82
Electronic Fund Transfer Clearing (EFT)	(83 305.62)
Pension Funds: GIPF	(2 584.10)

2.10 Outstanding subsistence advances

The Accounting Officer reported outstanding subsistence advances as per the Debit balance list amounting to N\$ 343 826.72 as at 31 March 2023.

2.11 Credit cards

The Accounting Officer reported five (5) credit cards with necessary the Treasury approval with a closing credit balance of N\$ 2 010 715.07 during the financial year under review.

ANNEXURE A (continued)

2.12 Wellness

The Accounting Officer reported actual expenditure amounting to N\$ 12 000.00 in respect of wellness activities for the financial year under review.

2.13 Bursary and study assistance

The Accounting Officer reported that the Office paid N\$ 37 910.00 in respect of study assistance for one (1) staff member for the financial year under review.

WINDHOEK, 31 AUGUST 2023

**AMBASSADOR GRACE UUSHONA
ACCOUNTING OFFICER**

