



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
ANTI-CORRUPTION COMMISSION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

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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 Anti-Corruption Commission 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.

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

WINDHOEK, April 2017

**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 ANTI-CORRUPTION COMMISSION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

1. REPORT ON THE FINANCIAL STATEMENTS

1.1 INTRODUCTION

This report on the accounts of the Anti-Corruption Commission 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 Anti-Corruption Commission for the year ended 31 March 2016. These financial statements comprise the following statements submitted for the year ended:

- Appropriation account;
- Standard subdivisions;
- Departmental revenue;
- Notes to the financial statements ; and
- General information.

The Appropriation Account was 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.

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, 1991 (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 misstatements, 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 of 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 misstatements.

Powers and Duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself/herself 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 misstatements 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 controls.

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 FINDINGS

1.4.1 Unauthorised expenditure

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

Although Treasury approval was obtained to utilise certain expected savings for the defrayal of excess expenditure through virements during the year, five (5) operational subdivisions were exceeded by an amount totalling N\$ 107 151.94, which is unauthorised in terms of Section 6(a)(iii) of the State Finance Act, 1991

It is recommended that the Accounting Officer should put measures in place to avoid unauthorised expenditure.

1.4.2 Outstanding subsistence advances

In terms of Treasury Instructions BB 0101(i) and FD 0702 the Accounting Officer shall be responsible for the accuracy of the accounting records, accounts and other financial documents under his control, as well as keeping of auxiliary registers to enable them to reconcile the suspense accounts placed under their control with the ledger accounts.

The Accounting Officer reported an outstanding balance on subsistence advances at 31 March 2016 to the amount of N\$ 12 452.90. However, the Subsistence and Travel Advance Suspense Account reflected a balance of N\$ 99 762.68 which gives an unexplained difference of N\$ 87 309.78. This might result in the misstatement of the outstanding subsistence advance balance.

It is recommended that the Accounting Officer should closely monitor the subsistence and travelling allowance account and ensures that reconciliations are carried out on a regular basis to avoid differences in the future. Treasury Instructions BB 0101(i) and FD 0702 should be adhered to.

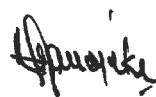
1.5 ACKNOWLEDGEMENT

The co-operation and assistance by the management and staff of the Anti-Corruption Commission during the audit is appreciated.

1.6 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Anti-Corruption Commission, 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 Financial Act, 1991(Act 31 of 1991).

In my opinion, the financial statements present fairly, in all material respects the financial position of the Anti-Corruption Commission, as at 31 March 2016, and their financial performance and the receipts and payments for the year then ended in accordance with the State Finance Act,1991 (Act 31 of 1991).



WINDHOEK, April 2017

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation account

Service	Authorized expenditure	2015/2016	Variations		2014/2015	
		Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure	
N\$	N\$	N\$	N\$	%	N\$	
01. Anti-Corruption/ Coordination, Management and Support Services:						
Original budget	21 006 000					
Plus: Virement	1 100 405					
Less: Suspensions	(3 976 000)	18 130 405	17 809 534.86	320 870.14	1.77	14 545 280.60
02. Anti-Corruption/ Investigation And Prosecution						
Original budget	18 106 000					
Less: Virement	(1 750 000)					
Less: Suspensions	(863 661)	15 492 339	15 337 416.06	154 922.94	1.00	15 881 694.02
03. Anti-Corruption/Public Education And Corrupt Prevention:						
Original budget	14 136 000					
Plus: Virement	1 512 256	15 648 256	15 461 152.43	187 103.57	1.20	9 439 374.74
Total:	49 271 000		48 608 103.35	662 896.65	1.35	39 866 349.36

1.2 Standard subdivisions

Subdivision	2015/2016			2014/2015
	Authorized expenditure	Actual expenditure	Under-expenditure/ (Excess)	Actual expenditure
	N\$	N\$	N\$	N\$
Operational:				
Current expenditure: Personnel				
001. Remuneration	29 227 339	29 265 526.66	(38 187.66)	21 756 774.01
002. Employer's contribution to the G.I.P.F and M.P.O.O.B.P.F.	3 646 256	3 629 465.97	16 790.03	2 697 327.79
003. Other conditions of service	1 061 000	946 665.90	114 334.10	1 097 281.90
004. Improvement of remuneration structure	1 405	-	1 405.00	-
005. Employers contribution to the social security	74 000	-	74 000.00	-
Total	34 010 000	33 841 658.53	168 341.47	25 551 383.70
Current expenditure: Goods and other services				
021. Travel and subsistence allowance	2 051 000	1 855 484.69	195 515.31	1 563 651.17
022. Materials and supplies	705 000	642 734.55	62 265.45	443 482.27
023. Transport	3 780 000	3 795 349.20	(15 349.20)	2 530 189.17
024. Utilities	2 027 000	1 920 877.49	106 122.51	2 082 081.99
025. Maintenance expenses	30 000	22 363.42	7 636.58	37 502.16
026. Property rental and related charges	1 055 000	1 050 721.39	4 278.61	887 465.00
027. Other services and expenses	4 808 000	4 682 483.28	125 516.72	3 511 992.38
Total	14 456 000	13 970 014.02	485 985.98	11 056 364.14
Current expenditure: Membership fees and subscriptions				
041. Subscriptions: International	136 000	138 799.30	(2 799.30)	27 055.38
042. Subscriptions: Domestic	4 000	3 513.65	486.35	3 320.43
Total	140 000	142 312.95	(2 312.95)	30 375.81
Total: Current expenditure	48 606 000	47 953 985.50	652 014.50	36 638 123.65
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	665 000	654 117.85	10 882.15	1 132 229.29
102. Vehicles	-	-	-	603 407.69
Total: Capital expenditure	665 000	654 117.85	10 882.15	1 735 636.98
Total: Operational expenditure	49 271 000	48 608 103.35	662 896.65	38 373 760.63
Development:				
Development Capital Expenditure				
107. Construction, renovation and improvement	-	-	-	1 492 588.73
Total	-	-	-	1 492 588.73
Total: Development expenditure	-	-	-	1 492 588.73
GRAND TOTAL	49 271 000	48 608 103.35	662 896.65	39 866 349.36

1.3. Departmental revenue

Revenue for the year is reported as follows:

Revenue head	Estimate	Actual revenue 2015/2016	More/(Less) than estimated	Actual revenue 2014/2015
	N\$	N\$	N\$	N\$
Private telephone calls	9000	-	(9000.00)	-
Miscellaneous revenue	8 000	56 254.86	48 254.86	-
Total	17 000	56 254.86	39 254.86	-

2. GENERAL INFORMATION**2.1 Bank Accounts**

The Commission operates one (1) bank account with the necessary Treasury authorization and the closing balance as at 31 March 2016 was as follows:

Name of Account	Banking Institution	Balance as at 31 March 2016
Anti-Corruption Commission Special Operations Account	First National Bank	N\$ 2 349 214.81

2.2 Compensation Payments

The Accounting Officer reported compensation payments for claims against the State amounting to N\$ 31 220.55 in respect of third party claims with the necessary Treasury authorization.

2.3 Bursary and Study Assistance

During the financial year under review the Anti-Corruption Commission provided study assistance to ten (10) staff members amounting N\$ 49 476.70.

2.4 Exemptions from normal Tender procedures

The Commission obtained exemptions from normal tender procedures from the Tender Board to the amount of N\$ 9 789 425 for procurement of goods and services and for a national corruption perception survey:

Exemption number	Description	Approved exemption N\$	Actual expenditure N\$	Difference N\$
E1/30-1/2015	Travel and subsistence expenses	1 000 000	361 553.52	638 446.48
	Materials and supplies	300 000	273 586.66	26 413.34
	Transport	50 000	-	50 000.00
	Utilities	2 363 000	1 454 866.46	908 133.54
	Maintenance	100 000	-	100 000.00
	Other services and expenses	3 868 000	3 530 068.21	337 931.79
	Membership fees and subscriptions	110 000	62 425.00	47 575.00
	Office equipment	500 000	166 460.90	333 539.10
E1/30-2/2015	National Corruption Perception Survey	1 498 425	449 527.50	1 048 897.50
TOTAL		9 789 425	6 298 488.25	3 490 936.75

2.5 Points keeping stock and stocktaking

The Accounting Officer reported that stocktaking was conducted at one (1) stock point out of four (4) stock points during the financial year under review with the total value of stock on hand amounting to N\$ 5 201 222.10 and the necessary Treasury authorization was obtained. During the inspections, damages amounting to N\$ 3 315.90, and obsolete and redundant items to the value of N\$ 214 151.07 were reported.

2.6 Vehicles on hand

The Accounting Officer reported a total of thirty-seven (37) vehicles on hand during the financial year under review as follows:

	Sedans	4x4, 2x4 and Kombi
Opening Balance 1 April 2015	18	15
Acquisition	5	1
Written off	-	-
Auction/	(2)	-
Balance at 31 March 2016	21	16

2.7 Cost of damages to Government property

The Accounting Officer reported four (4) vehicle accidents with an estimated value of repair cost of N\$ 28 000. One (1) vehicle was repaired at a cost of N\$ 9 134.01 whilst three (3) vehicles were still to be repaired as at 31 March 2016.

2.8 Suspense Accounts

The final ledger shows eight (8) suspense account balances of which six (6) had credit balances, and two (2) had debit balances as at 31 March 2016 as follows:

Suspense Accounts	Debit/(Credit)
	N\$
Receipts suspense account	(12 330.63)
S&T advance suspense account	99 762.68
Rejection account	(113 973.90)
Bills Payable	(147 159.85)
Electronic Fund Transfer Clearing Account(EFT)	(52 109.69)
Social security	(81.00)
Pension Funds: GIPF	(11 036.10)
Standard Bank (Windhoek)	4 123.32

WINDHOEK, 2016-10-10

**HANNU H SHIPENA
ACCOUNTING OFFICER**