



REPUBLIC OF NAMIBIA



**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
ANTI-CORRUPTION COMMISSION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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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 2017 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 2018

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

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

DEFINITIONS

<p>Types of Audit Opinions:</p>	<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. Auditor's 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 statement 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>
<p>Treasury:</p>	<p>Financial authority in public service. (The department of Government that has control over the collection, management and disbursement of public revenue).</p>
<p>Vote:</p>	<p>Represents an Office/Ministry/Agency.</p>
<p>Appropriation Act:</p>	<p>Estimate of expenditure and revenue for a particular financial year presented to the National Assembly, the Act passed by Parliament.</p>
<p>Appropriation Account:</p>	<p>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.</p>
<p>Standard sub-division:</p>	<p>Government balance account, showing balances incurred on each account/activity.</p>
<p>Suspension:</p>	<p>Reduction on budget (Treasury may from time without or suspend any amount in an estimate of expenditure).</p>
<p>Virement:</p>	<p>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.</p>
<p>Unauthorised Expenditure:</p>	<p>Expenditure that exceeds the amount appropriated (budgeted) for a vote, main division or subdivision.</p>
<p>Underexpenditure:</p>	<p>Saving on the budget.</p>
<p>Miscellaneous Revenue:</p>	<p>All revenue collected and not having a specified revenue code.</p>
<p>Tender Board Exemptions:</p>	<p>To free from an obligation (Tender Board Regulations) to which others are subjected.</p>

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 specified
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)
Materiality:	Is a concept or convention relating to the importance or significance of an amount, transaction, or discrepancy that effects the decision of the user.

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**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
ANTI-CORRUPTION COMMISSION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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 2017 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 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 2017. 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 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 and 13 of the State Finance Act, 1991(Act 31 of 1991) and other 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(Act 31 of 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(Act 31 of 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 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):

(i) One (1) main division was exceeded with a total amount of N\$ 100 777.90. This expenditure is unauthorized in terms of Section 6(a) (ii) of the Act; and

(ii) Although Treasury approval was obtained to utilise certain expected savings for defrayal of excess expenditure by means of virements during the year, four (4) operational subdivisions were exceeded by an amount of N\$ 435 433.73. This excess expenditure is unauthorized in terms of Section 6(a) (iii) of the Act.

It is recommended that the Accounting Officer should put measures in place to monitor the budget to avoid over-expenditure in future.

1.5 UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Anti-Corruption Commission for the year ended 31 March 2017 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 Anti-Corruption Commission as at 31 March 2017 and its financial performance and its receipts and payments for the year ended in accordance with the State Finance Act, 1991 (Act 31 of 1991).

WINDHOEK, March 2018



JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

1. AUDITED FINANCIAL STATEMENTS

1.1 Appropriation Account

		2016/2017			2015/2016	
Service	N\$	Authorized expenditure	Actual expenditure	Variations		Actual expenditure
				Under expenditure/ (Excess)	Percentage	
	N\$	N\$	N\$	N\$	%	N\$
01. Administration:						
Original budget	19 031 000.00					
Plus: Virement	232 000.00					
Less: suspension	(1 867 866.39)	17 395 133.61	17 495 911.51	(100 777.90)	(0.58)	17 809 534.86
02. Investigation and Prosecution:						
Original budget	16 514 000.00					
Plus : Virement	2 525 000.00					
Less: Suspension	(2 039 584.76)	16 999 415.24	16 397 280.30	602 134.94	3.54	15 337 416.06
03. Public Education and Corrupt Prevention:						
Original budget	13 686 000.00					
Plus: Virement	848 000.00					
Less: Suspension	(872 536.26)	13 661 463.74	13 359 582.94	301 880.80	2.21	15 461 152.43
04. Security and Risk Management Services:						
Original budget	629 000.00					
Less: Virement	(605 000.00)	24 000.00	-	24 000.00	100.00	-
TOTAL		48 080 012.59	47 252 774.75	827 237.84	1.72	48 608 103.35

ANNEXURE A (continued)

1.2 Standard subdivisions

Subdivision	2016/2017			2015/2016
	Authorized expenditure	Actual expenditure	Under/(Over) expenditure	Actual expenditure
	N\$	N\$	N\$	N\$
Operational				
Current expenditure: Personnel				
001. Remuneration	33 266 000.00	33 217 875.94	48 124.06	29 265 526.66
002. Employer's contribution to GIPF	4 154 000.00	4 167 599.28	(13 599.28)	3 629 465.97
003. Other conditions of service	171 000.00	100 502.09	70 497.91	946 665.90
005. Employers contribution to the Social Security	2 000.00	-	2 000.00	-
Total	37 593 000.00	37 485 977.31	107 022.69	33 841 658.53
Current expenditure: Goods and other services				
021. Travel and subsistence expenses	1 519 568.76	1 440 624.44	78 944.32	1 855 484.69
022. Materials and supplies	654 000.00	559 902.84	94 097.16	642 734.55
023. Transport	1 003 929.24	1 147 644.39	(143 715.15)	3 795 349.20
024. Utilities	2 517 000.00	2 491 464.70	25 535.30	1 920 877.49
025. Maintenance	93 000.00	66 525.02	26 474.98	22 363.42
026. Property rental and related charges	1 150 000.00	936 595.04	213 404.96	1 050 721.39
027. Other services and expenses	3 163 363.73	2 955 763.99	207 599.74	4 682 483.28
Total	10 100 861.73	9 598 520.42	502 341.31	13 970 014.02
Current Expenditure: Membership fees and subscriptions				
041. International	125 000.00	124 228.89	771.11	138 799.30
043. Government organizations	-	-	-	3 513.65
Total	125 000.00	124 228.89	771.11	142 312.95
Total: Current expenditure	47 818 861.73	47 208 726.62	610 135.11	47 953 985.50
Capital expenditure: Acquisition of assets				
101. Furniture and office equipment	261 150.86	44 048.13	217 102.73	654 117.85
Total	261 150.86	44 048.13	217 102.73	654 117.85
Total: Operational Expenditure	48 080 012.59	47 252 774.75	827 237.84	48 608 103.35
GRAND TOTAL	48 080 012.59	47 252 774.75	827 237.84	48 608 103.35

1.2.1 Appropriation account: Explanations of variations exceeding 2% between the authorised and actual expenditure

(i) Underexpenditure

Main Division 02: Investigation and Prosecution

The variance in Main division 02 amounting to N\$ 602 134.94 arose from the two positions of Senior Investigating Officers grade 5 that fell vacant in the middle of the year. The lengthy period it took to fill the positions contributed to the excess funds. The cost attributable to the two positions in the form of travel and subsistence and other operational costs added to the underspending.

Main Division 03: Public Education and Corrupt Prevention

The variance in Main Division 03 amounting to N\$ 301 880.80 is attributable to the one position of Chief Public Education and Corruption Prevention Officer grade 5 that fell vacant towards the end of the financial year. The Bulk of the under-expenditure is as a result of goods and service, the procurement of which was initiated towards the end of the 2016/2017 financial year and the delivery and hence payment took place in the subsequent financial year.

Main Division 04: Security and Risk Management Services

An amount of N\$ 629 000 000 was budgeted for remuneration expenditure for the newly created division Security and Risk Management Services. Due to the general salary adjustment that was not adequately funded, funds were viremented from Main Division 04 for which staff had not been recruited at the time to cover anticipated excess on Main Division 03. The funds that remained after the virement (N\$ 24 000) could not be utilised in the main division as the main division was inoperative.

1.3. Departmental revenue

Revenue for the year is reported as follows:

Revenue head	Estimate	Actual revenue 2016/2017	More/(Less) than estimated	Actual revenue 2015/2016
	N\$	N\$	N\$	N\$
Private telephone calls	20 000	-	(20 000.00)	-
Miscellaneous revenue	60 000	(31 764.97)	(91 764.97)	56 254.86
Total	80 000	(31 764.97)	(111 764.97)	56 254.86

2. GENERAL INFORMATION

2.1 Bank account

The Commission operates one (1) bank account with the necessary Treasury Authorization and the closing balance as at 31 March 2017 was as follows:

Account Name	Bank	Closing balance as at 31/03/2017
Anti-Corruption Commission Special Operations	First National Bank	N\$ N\$ 1 362 826.78

2.2 Donation

The Commission received a donation of N\$ 45 000 from Hans Seidel Foundation Namibian for the development and publication of Ethics and Anti-Corruption Code of Conduct for the public sector for the financial year under review.

2.3 Bursary and study assistance

The Commission provided study assistance to nine (9) staff members amounting to N\$ 38 933 for the year under review.

2.4 Vehicles

2.4.1 Vehicles on hand

The Accounting Officer reported the following vehicles at hand during the financial year under review:

	Sedan	4x4 and Kombi
Opening Balance 1 April	21	16
Acquisition	-	-
Written off	-	-
Auction/ Returned	(4)	(2)
Balance at 31 March	17	14

2.4.2 Vehicle accidents

The Accounting Officer reported four (4) vehicle accidents with an estimated value of repair cost of N\$ 178 347.64. One (1) vehicle was repaired at a cost of N\$ 9 539.30 whilst three (3) vehicles are still to be repaired as at 31 March 2017.

2.5 Suspense accounts

The final ledger shows seven (7) suspense accounts with balances at the end of the financial year of which one (1) had a debit balances and six (6) with credit balances as follows:

Suspense account	Balance as at 31 March 2017 Debit/(Credit)
	N\$
Receipt suspense	(13 582.42)
S&T advance suspense account	11 994.18
Rejection account	(64 838.42)
Bills payable	(171 007.40)
Electronic fund transfer clearing account (EFT)	(7 055.78)
Social security	(81.00)
Pension funds: GIPF	(11 036.10)

2.6 Tender Board exemptions

Various Tender Board exemptions to the total amount of N\$ 9 288 000 were granted by Tender Board for the following goods and services for the financial year under review:

Exemption number	Description	Approved exemption	Actual expenditure	Difference
E1/30-1/2016		N\$	N\$	N\$
	021:Travel and subsistence expenses	1 100 000	365 272.00	734 728.00
	022:Materials and suppliers	400 000	374 026.01	25 973.99
	023:Transport	100 000	-	100 000.00
	024:Utilities	2 000 000	1 575 341.92	424 658.08
	025:Maintenance	150 000	-	150 000.00
	027:Other services and expenses	4 718 000	2 456 526.05	2 261 473.95
	041-42: Membership fees	120 000	-	120 000.00
	101:Furniture and office equipment	700 000	-	700 000.00
Total		9 288 000	4 771 165.98	4 516 834.02

WINDHOEK, 16-10-2017

HANNU H SHIPENA
ACCOUNTING OFFICER