



AUDIT REPORT ON THE ACCOUNTS OF THE

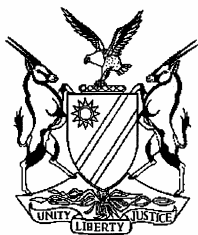
NAMIBIA CENTRAL INTELLIGENCE SERVICES

FOR THE FINANCIAL YEARS ENDED 31 MARCH 1997,
1998 & 1999

Published by authority

Price (Vat excluded): N\$ 9.69
Report no: 452

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 Namibia Central Intelligence Services for the financial years ended 31 March 1997, 1998 & 1999, 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, November 2006

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

**REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF THE
NAMIBIA CENTRAL INTELLIGENCE SERVICES FOR THE FINANCIAL YEARS
31 MARCH 1997, 1998 AND 1999**

1. INTRODUCTION

1.1 Establishment and objectives

1.1.1 Establishment

The Department of National Intelligence was established in 1987 in terms of the National Intelligence Act, Act 19 of 1987. The name of the institution was changed to the Namibia Intelligence Agency by Proclamation 5 of 1990. The Act has been repealed by the Namibia Central Intelligence Service Act, 1997 (Act 10 of 1997), hereinafter called "*the Act*" in which the current Namibia Central Intelligence Service has been established in terms of Section 3 of the Act. The Act came into operation on 5 June 1998 as per Proclamation 12 of 1998.

1.1.2 Powers, duties and functions

The main function of the Service is to protect Namibian security interest. Details are contained in Section 5 of the Act.

1.2 Auditing

The financial statements for the financial years 1996/97, 1997/98 and part of 1998/99 have been audited in terms of Section 8 of the National Intelligence Act, 1987 and Section 25(1)(b) of the State Finance Act, 1991 (Act 31 of 1991). Part of the financial year 1998/99 has been audited in terms of Section 13 of the Namibia Central Intelligence Service Act, 1997 and Section 25(1)(b) of the State Finance Act, 1991.

1.3 Report

This report on the accounts of the Namibia Central Intelligence Services (hereinafter referred to as the "Service") for the financial years 1996/97, 1997/98 and 1998/99 is presented to the National Assembly in accordance with the terms of the Article 127(2) of the Constitution of the Republic of Namibia and Section 27(1) of the State Finance Act, 1991 (Act 31 of 1991).

1.4 Delay of audit report

The Service experienced problems with the reconciliation and clearance of suspense accounts and this delayed the submission of financial statements. The above-mentioned statements were only received on 2 September 2005. At the time of writing this report no financial statements for outstanding years were presented for audit. The Accounting Officer should make more efforts to produce outstanding financial statements without further delay.

2. FINANCIAL STATEMENTS

The financial statements, notes to the financial statements and general information supplied by the Accounting Officer were for the financial years ended 31 March 1997, 1998 and 1999.

3. SCOPE OF THE AUDIT

3.1 The Accounting Officer of the Service is responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions therein. It is the responsibility of the Auditor-General to form an independent opinion, based on the audit, on those statements and on the regularity of the financial transactions included in them and to report his opinion to the National Assembly.

The audit included:

- (a) examination on a test basis of evidence relevant to the amounts, disclosure and regularity of financial transactions included in the financial statements; and
- (b) evaluation of the overall adequacy of the presentation of information in the financial statements.

3.2 The audit was planned and performed so as to obtain all information and explanations considered necessary to provide sufficient evidence to give reasonable assurance that:

- (a) the financial statements are free from material misstatement, whether caused by error, fraud or other irregularity;
- (b) in all material respects, the expenditure and income have been applied to the purposes intended by the legislator; and
- (c) the financial transactions conform to the authorities that govern them.

4. FINANCIAL POSITION

The net difference between revenue and expenditure each year is carried forward to the next ensuing year which is in line with the stipulations of the Namibia Central Intelligence Service Act. The results for the three years under review show high amounts of accumulated funds for the relevant financial years. Differences were noted between the calculated amounts and those shown in the general ledger. The Accounting Officer should do the necessary reconciliations to correct these balances.

5. AUDIT OBSERVATIONS

5.1 Main issues/findings identified by the Audit

5.1.1 Unauthorized expenditure

The following unauthorized expenditure occurred during the three financial years under review and is reported as such in terms of Section 27(6)(a) of the State Finance Act, 1991 (Act 31 of 1991):

- (a) The total approved estimated amount of the Service was exceeded with N\$ 1 625 197.39 which represents 7.6% of the budgeted amount in the 1996/97 financial year. The excess expenditure represents unauthorized expenditure in terms of Section 6(a)(i) of the State Finance Act.

5.1.2 Suspense accounts

In the previous report it was mentioned that these accounts are not regularly and continuously analysed and reconciled with the ledger, resulting in accounts with large balances which can no longer be reconciled due to the absence of supporting documentation.

The seriousness of this matter was discussed with the Financial Advisor and since then efforts have been made to clear the suspense accounts.

5.1.3 General ledger

The balances shown in the general ledger for the 1998/1999 financial year are seriously misstated and need to be analysed and adjusted. The bills payable account shows an amount of N\$ 24 885 200 which means that most cheques issued during the year remained outstanding. The revenue deposit account should only reflect the cash on hand at month end, but for the year ended 31 March 1999 it reflected N\$ 29 157 473.

5.1.4 Internal control

Although internal control has improved since the previous annual report, attention is still needed to bring internal control measures on a sound footing to prevent possible fraud.

Outstanding S&T advances

For the three financial years under review, outstanding S&T advances are reflected as follows;

- (i) 1996/97 – Fourty one staff members owed an amount totaling N\$ 74 426.03
- (ii) 1997/98 – Thirty six staff members had outstanding S&T advances amounting to N\$ 39 004.84.
- (ii) 1998/99 – Fifty one staff members had outstanding S&T advances amounting to N\$ 412 304.57.

The above is an indication that officials do not account for advances as per Treasury Instruction HB 0505. It is recommended that the Service should make use of existing procedures and regulations to curb the problem of long outstanding advances as provided in the said Treasury Instruction.

5.1.5 Outstanding annual report information

- No certificate could be issued that the suspense accounts have been reconciled and analysed regarding all three financial years, as such action was not undertaken.
- The miscellaneous revenue account has not been analysed for the financial years 1996/97 and 1997/98.

6. ACKNOWLEDGEMENT

The co-operation and assistance of the management and staff of the Service during the audit is appreciated.

7. QUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Service for the financial years 1996/97, 1997/98 and 1998/99 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).

Except of the remarks in paragraphs 4 – Financial position, 5.1.1 – Unauthorised expenditure (1996/97), 5.1.2 – Unreconciled suspense accounts and 5.1.3 – General ledger balances, in my opinion, the financial statements fairly represent the receipts and payments of the Service for the three financial years under review 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
BPI Building, 6th floor
277 Independence Avenue
Private Bag 13299
WINDHOEK
NAMIBIA

1. FINANCIAL STATEMENTS

1.1 STANDARD SUBDIVISIONS

Subdivision	1996/97				1995/96
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure
	N\$	N\$	N\$	%	N\$
Operational expenditure					
001. Current expenditure: Personnel					
01 Salaries, bonuses and allowances	12 824 319	13 822 706.48	(998 387.48)	8	12 274 503.48
02 Leave gratuity	100 788	106 539.95	(5 751.95)	6	-
03 Employers contribution:					
Pension Fund	1 600 000	1 775 886.26	(175 886.26)	11	1 884 913.38
04 Employers contribution:					
Social Security Fund	4 000	65 424.07	(61 424.07)	1 536	-
05 Medical aid	99 147	345 771.73	(246 624.73)	249	-
06 Subsistence and travelling	507 000	507 562.81	(562.81)	-	828 209.03
07 Entertainment	25 000	36 215.96	(11 215.96)	45	22 942.40
Total	15 160 254	16 660 107.26	(1 499 853.26)	10	15 010 568.29
002. Current expenditure: Services					
01 Printing and stationery	62 700	146 261.61	(83 561.61)	133	172 374.06
02 Railage and telecommunication	277 000	467 672.22	(190 672.22)	69	290 321.84
03 Administrative costs	174 000	53 506.70	120 493.30	69	173 020.55
04 General maintenance	20 500	18 171.40	2 328.60	11	47 205.92
05 Operational expenses	93 000	57 063.19	35 936.81	39	143 582.15
06 Municipality services	59 100	42 711.44	16 388.56	28	37 812.42
07 Special payments	3 850 000	4 075 432.78	(225 432.78)	6	3 579 905.06
08 Training	40 000	41 652.64	(1 652.64)	4	-
09 Bursaries	55 000	57 489.29	(2 489.29)	5	-
Total	4 631 300	4 959 961.27	(328 661.27)	7	4 444 222.00
003. Current expenditure: Transport					
01 Repairs and maintenance	314 594	385 803.67	(71 209.67)	23	563 701.48
02 Operating costs	441 629	461 464.91	(19 835.91)	4	599 562.99
03 Insurance and accidents	300 000	186 538.92	113 461.08	38	285 596.13
Total	1 056 223	1 033 807.50	22 415.50	2	1 448 860.60
004. Current expenditure: Equipment					
01 Repairs and maintenance	20 000	49 181.20	(29 181.20)	146	65 728.46
02 Operating costs	14 000	14 728.51	(728.51)	5	45 408.75
03 Rent of equipment	30 000	28 678.72	1 321.28	4	33 763.70
Total	64 000	92 588.43	(28 588.43)	45	144 900.91
005. Current expenditure: Office furniture					
01 Repairs and maintenance	46 000	10 944.61	35 055.39	76	43 758.91
006. Current expenditure: Immovable property					
01 Repairs and maintenance	69 000	67 627.45	1 372.55	2	39 433.54
02 Rent of accommodation	260 000	106 347.29	153 652.71	59	93 566.82
Total: Immovable property	329 000	173 974.74	155 025.26	47	133 000.36
Total: Current expenditure	21 286 777	22 931 383.81	(1 644 606.81)	8	21 225 311.07

STANDARD SUBDIVISIONS

Subdivision	1996/97				1995/96
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure
	N\$	N\$	N\$	%	N\$
007. Capital expenditure: Acquisition of assets					
01 Purchasing of vehicles	-	-	-		100 813.59
0201 Purchasing of equipment	49 223	74 329.78	(25 106.78)	51	111 161.48
0202 Purchasing of library books	1 000	1 614.66	(614.66)	61	2 027.79
03 Purchasing of office furniture	41 000	3 333.20	37 666.80	92	28 477.89
0401 Purchasing of land and buildings	-	-	-	-	1 251.33
0402 Improvements of capital nature	20 000	12 536.00	7 464.00	37	46 966.39
Total: Development expenditure	111 223	91 813.64	19 409.36	17	290 698.47
GRAND TOTAL	21 398 000	23 023 197.39	(1 625 197.39)	8	21 516 009.54

1.2 DEPARTMENTAL REVENUE

Revenue heading	Estimate	Actual revenue 1996/97	More/(Less) than estimated	Actual revenue 1995/96
	N\$	N\$	N\$	N\$
Bursary debt	-	-	-	9 703.26
Commission received	-	-	-	11 407.24
Government contribution	21 108 000	21 108 000.00	-	15 672 000.01
Interest received	120 000	274 372.82	154 372.82	145 466.94
Kilometer fees	120 000	126 218.13	6 218.13	135 537.14
Medical aid contributions	204 000	216 424.60	12 424.60	214 573.00
Miscellaneous revenue	100 000	100 639.60	639.60	65 509.53
Official parking fees	-	-	-	1 237.00
Pensionable service bought	-	-	-	816.00
Private telephone calls	10 000	21 505.62	11 505.62	15 355.17
Sale of Agency property	-	-	-	169 008.50
Senior official vehicle scheme	155 000	50 511.40	(104 488.60)	150 102.83
Statutory obligation contribution	3 850 000	3 850 000.00	-	3 850 000.00
	25 667 000	25 747 672.17	80 672.17	20 440 716.62

1.3 NOTES TO THE FINANCIAL STATEMENTS

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

(i) Underexpenditure

003: Transport

As part of the disaster recovery program, more funds were provided in respect of vehicle accidents, but fewer accidents occurred during the year than expected.

005: Office furniture

The repairs and maintenance on office furniture could not be carried out as planned during the year under review. It took the Service long to find a reliable service provider.

006: Immovable property

The repairs and maintenance on immovable property were based on the estimation of the service provider. No sufficient suitable premises to rent could be provided during the year under review.

007: Acquisition assets

Less office furniture was purchased than expected because of the posts which were earmarked to be filled, could not be filled during the year of review. The improvements of capital nature were done based on the estimation of the service provider.

(ii) Over-expenditure

001: Personnel

Expenses regarding salaries, bonuses and allowances were higher than expected due to the implementation of WASCOM. This had a similar effect on the employers contributions to the pension fund. No proper estimates were made for the contributions to the Social Security Fund due to the fact that no clear information about the Social Security Funds was available at the time of budgeting. More claims with regard to medical expenses were submitted than expected. More entertainment expenses were incurred than expected due to more operational visitors received.

002: Services

The Service incurred more expenses on printing and stationery than expected owing to the high demand of services rendered by the Service to other Government Offices (Printing of service cards). More expenses were incurred on railage and telecommunication than expected. The Service has no knowledge as to why the special payment sub-division was exceeded due to its confidential nature and is as such not in a position to give any explanation.

004: Equipment

More expenses on repairs and maintenance were incurred than expected as a result of breakage of equipment and operating expenses were more than expected.

1.3.2 Department revue: Explanations of deviations of N\$ 100 000 and above:

Interest received

More interest was received on investments and the current account than expected. The reason was mainly due to the fluctuations of interest rates which were not known at the time of budgeting.

Senior official vehicle scheme

The collection of revenue was affected by the implementation of WASCOM.

1. FINANCIAL STATEMENTS

1.1 STANDARD SUBDIVISIONS

Subdivision	1997/98				1996/97
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure
	N\$	N\$	N\$	%	N\$
Operational expenditure					
001. Current expenditure: Personnel					
01 Salaries, bonuses and allowances	13 428 640	12 499 472.38	929 167.62	6.9	13 822 706.48
02 Leave gratuity	1 594 956	1 558 037.81	36 918.19	2.3	106 539.95
03 Employers contribution: Pension Fund	2 148 579	1 950 480.82	198 098.18	9.2	1 775 886.26
04 Employers contribution: Social Security Fund	82 486	83 948.40	(1 462.40)	1.8	65 424.01
05 Medical aid	385 000	656 670.70	(271 670.70)	70.6	345 771.73
06 Subsistence and travelling	564 330	560 450.05	3 879.95	0.7	507 562.81
07 Entertainment	38 000	32 790.53	5 209.47	13.7	36 215.96
Total	18 241 991	17 341 850.69	900 140.31	4.9	16 660 107.20
002. Current expenditure: Services					
01 Printing and stationery	154 000	115 482.08	38 517.92	25.0	146 261.61
02 Railage and telecommunication	372 300	384 078.26	(11 778.26)	3.2	467 672.22
03 Administrative costs	61 800	56 837.54	4 962.46	8.0	53 506.70
04 General maintenance	66 000	46 882.58	19 117.42	29.0	18 171.40
05 Operational expenses	53 000	58 427.65	(5 427.65)	10.2	57 063.19
06 Municipality services	80 810	65 732.58	15 077.42	18.7	42 711.44
07 Special payments	3 850 000	3 840 777.06	9 222.94	0.2	4 075 432.78
08 Training	30 000	24 666.88	5 333.12	17.8	41 652.64
09 Bursaries	120 000	97 508.76	22 491.24	18.7	57 489.29
Total	4 787 910	4 690 393.39	97 516.61	2.0	4 959 961.27
003. Current expenditure: Transport					
01 Repair and maintenance	317 000	335 020.22	(18 020.22)	5.7	385 803.67
02 Operating costs	418 000	379 089.13	38 910.87	9.3	461 464.91
03 Insurance and accidents	287 000	188 860.87	98 139.13	34.2	186 538.92
Total	1 022 000	902 970.22	119 029.78	11.6	1 033 807.50
004. Current expenditure: Equipment					
01 Repairs and maintenance	47 000	32 847.97	14 152.03	30.1	49 181.20
02 Operating costs	64 000	43 027.76	20 972.24	32.8	14 728.51
03 Rent of equipment	50 400	53 730.09	(3 330.09)	6.6	28 678.72
04 Expenses on computer programs	347 000	347 679.58	320.42	100.0	-
Total	508 400	476 285.40	32 114.60	75.0	92 588.43
005. Current expenditure: Office furniture					
01 Repairs and maintenance	3 000	1 097.16	1 902.84	63.4	10 944.61
006. Current expenditure: Immovable property					
01 Repairs and maintenance	70 000	20 748.19	49 251.81	70.4	67 627.45
02 Rent of accommodation	194 699	174 262.11	20 436.89	10.5	106 347.29
Total: Immovable property	264 699	195 010.30	69 688.70	26.3	173 974.74
Total: Current expenditure	24 828 000	23 607 607.29	1 220 392.71		22 931 383.75

STANDARD SUBDIVISIONS

Subdivision	1997/98				1996/97
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure
	N\$	N\$	N\$	%	N\$
007. Capital expenditure: Acquisition of assets					
01 Purchasing of vehicles	135 000	135 025.90	(25.90)	0.01	-
0201 Purchasing of equipment	60 000	29 468.27	30 531.73	50.90	74 329.78
0202 Purchasing of library books	1 000	-	1 000.00	100.00	1 614.66
03 Purchasing of office furniture	-	-	-	-	3 333.20
0401 Purchasing of land and buildings	4 400	-	4 400.00	100.00	-
0402 Improvements of capital nature	-	4 406.40	(4 406.40)	-	12 536.00
Total: Development expenditure	200 400	168 900.57	31 499.43	15.70	91 813.64
GRAND TOTAL	25 028 400	23 776 507.86	1 251 892.14	6.40	23 023 197.39

1.2 DEPARTMENTAL REVENUE

Revenue heading	Estimate	Actual revenue 1997/98	More/(Less) than estimated	Actual revenue 1996/97
	N\$	N\$	N\$	N\$
Bursary debt	-	-	-	207.26
Government contributions	20 482 000	-	1 600 000.00	21 108 000.00
Extra-ordinary contributions	-	-	-	-
Interest received	180 000	811 367.36	631 367.36	274 372.82
Kilometer fees	120 000	-	(120 000.00)	126 083.56
Medical aid contributions	219 000	233 896.24	14 896.24	216 424.60
Miscellaneous revenue	-	87 453.59	87 453.59	106 576.93
Official parking fees	-	-	-	1 525.00
Pensionable service bought	-	-	-	612.00
Private telephone calls	8 000	12 088.54	4 088.54	21 387.33
Sale of Agency property	30 000	975.00	(29 025.00)	570.06
Senior official vehicle scheme	-	97 087.63	97 087.63	-
Statutory obligation contribution	3 850 000	3 850 000.00	-	3 850 000.00
	24 889 000	27 174 868.36	2 285 868.36	25 705 759.56

1.3 NOTES TO THE FINANCIAL STATEMENTS

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

Underexpenditure

001. Personnel

Recruitment of certain staff did not materialize, due to the fact that no suitable candidates could be found for the identified posts which also resulted in underexpenditure on contributions to the GIPF. Less leave gratuities were paid as a result of fewer resignations than projected. Less entertainment expenses were incurred than expected, because some of the operations which were supposed to be carried out had to be cancelled.

002. Services

Provision for printing and stationery was made based on the previous financial year's expenditure and as such less expenses were incurred than expected. Less expenses on general maintenance were incurred than expected. This means that provision for more funds was made to be able to carry out special tasks of the Service (unexpected operations). Less expenses on municipal charges were incurred than projected. Exchange rate fluctuation was also one of the factors that were taken into account at the time of budgeting. Training programs earmarked for the new intake did not materialize due to lack of suitable candidates. The bursaries approved for the financial year under review were not paid due to cancellation of studies by some staff members. The cancellation came as a result of other responsibilities they have been engaged in.

003. Transport

Operating costs were less than estimated due to the fact that most of the cars available were old and could not be used regularly. The underexpenditure on insurance and accidents came as a result of fewer accidents which occurred during the financial year under review than estimated.

004. Equipment

The repairs and maintenance on equipment could not be carried out as planned due to operations which were to be finalized with some of this equipment. The operating costs were less than expected.

005. Office furniture

Less furniture was taken for repairs than originally planned.

006. Immovable property

Repairs on immovable properties could not be finalized due to a lack of suitable contractors. The saving on rent of accommodation came as result of estimations that were done on the basis of the previous financial year's expenditure.

007. Acquisition of assets

The operational equipment that was to be purchased during the year under review could not be acquired due to technical problems. The purchasing of some library books which were identified could not be realized.

1. FINANCIAL STATEMENTS

1.1 STANDARD SUBDIVISIONS

Subdivision	1998/99				1997/98
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure
	N\$	N\$	N\$	%	N\$
Operational expenditure					
001. Current expenditure: Personnel					
01 Salaries, bonuses and allowances	15 196 523	13 346 988.03	1 849 534.97	12.2	12 499 472.38
02 Leave gratuity	1 978 914	1 547 460.64	431 453.36	21.8	1 558 037.81
03 Employers contribution:					
Pension Fund	2 326 173	2 098 034.14	228 138.86	9.8	1 950 480.82
04 Employers contribution:					
Social Security Fund	74 150	78 405.24	(4 255.24)	5.7	83 948.40
05 Medical aid	980 000	947 564.18	32 435.82	3.3	656 670.70
06 Subsistence and travelling	797 801	767 038.41	30 762.59	3.9	560 450.05
07 Entertainment	50 000	57 794.25	(7 794.25)	15.6	32 790.53
Total	21 403 561	18 843 284.89	2 560 276.11	12.0	17 341 850.69
002. Current expenditure: Services					
01 Printing and stationery	191 000	168 513.82	22 486.18	11.8	115 482.08
02 Railage and telecommunication	605 100	557 151.73	47 948.27	7.9	384 078.26
03 Administrative costs	70 300	70 433.34	(133.34)	0.2	56 837.54
04 General maintenance	82 500	50 606.85	31 893.15	38.7	46 882.58
05 Operational expenses	113 500	70 359.97	43 140.03	38.0	58 427.65
06 Municipality services	89 700	55 470.23	34 229.77	38.2	65 732.58
07 Special payments	3 850 000	3 857 221.26	(7 221.26)	0.2	3 840 777.06
08 Training	60 000	51 048.53	8 951.47	14.9	24 666.88
09 Bursaries	70 000	69 130.42	869.58	1.2	97 508.76
Total	5 132 100	4 949 936.15	182 163.85	3.5	4 690 393.39
003. Current expenditure: Transport					
01 Repair and maintenance	478 500	385 568.34	92 931.66	19.4	335 020.22
02 Operating costs	511 200	441 005.73	70 194.27	13.7	379 089.13
03 Insurance and accidents	155 000	132 867.04	22 132.96	14.3	188 860.87
Total	1 144 700	959 441.11	185 258.89	16.2	902 970.22
004. Current expenditure: Equipment					
01 Repairs and maintenance	48 000	45 864.73	2 135.27	4.4	32 847.97
02 Operating costs	94 500	62 272.85	32 227.15	34.1	43 027.76
03 Rent of equipment	65 200	44 350.09	20 849.91	32.0	53 730.09
04 Expenses on computer programs	510 000	519 850.40	(9 850.40)	1.9	346 679.58
Total	717 700	672 338.07	45 361.93	6.3	476 285.40
005. Current expenditure: Office furniture					
01 Repairs and maintenance	7 000	7 018.75	(18.75)	0.3	1 097.16
006. Current expenditure: Immovable property					
01 Repairs and maintenance	79 000	73 336.05	5 663.95	7.2	20 748.19
02 Rent of accommodation	232 240	120 759.96	111 480.04	48.0	174 262.24
Total	311 240	194 096.01	117 143.99	37.6	195 010.43
Total: Current expenditure	28 716 301	25 626 114.98	3 090 186.02	10.8	23 607 607.29

STANDARD SUBDIVISIONS

Subdivision	1998/99				1997/98
	Authorised expenditure	Actual expenditure	Under-expenditure/ (Excess)	Percentage	Actual expenditure
	N\$	N\$	N\$	%	N\$
007. Capital expenditure: Acquisition of assets					
01 Purchasing of vehicles	520 000	467 566.16	52 433.84	10.1	135 025.90
0201 Purchasing of equipment	230 000	256 347.95	(26 347.95)	11.5	29 468.27
0202 Purchasing of library books	1 000	142.46	857.54	85.8	-
03 Purchasing of office furniture	79 699	71 311.86	8 387.14	10.5	-
0401 Purchasing of land and buildings	-	-	-	-	4 406.40
Total	830 699	795 368.43	35 330.57	4.3	168 900.57
GRAND TOTAL	29 547 000	26 421 483.41	3 125 516.59	10.6	23 776 507.86

1.2 DEPARTMENTAL REVENUE

Revenue heading	Estimate	Actual revenue 1998/99	More/(Less) than estimated	Actual revenue 1997/98
	N\$	N\$	N\$	N\$
Allocated vehicles	60 000	41 799.33	(18 200.67)	97 152.51
Bursary debt	-	5 387.09	-	2 110.00
Interest received	452 000	1 413 412.39	961 412.39	725 279.77
Medical aid contributions	237 000	291 610.00	54 610.00	233 896.24
Miscellaneous revenue	40 000	130 026.96	90 026.96	83 967.44
Official parking fees	1 500	1 500.00	-	1 545.00
Private telephone calls	9 500	7 291.24	(2 208.76)	12 036.54
Contribution – Office of the President	24 897 000	24 897 000.00	-	22 082 000.00
Statutory obligation contribution	3 850 000	3 850 000.00	-	3 850 000.00
	29 547 000	30 638 027.01	1 085 639.92	27 087 987.50

1.3 NOTES TO THE FINANCIAL STATEMENTS

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

Underexpenditure

001. Personnel expenditure

The underspending was due to strategic vacant posts that were earmarked to be filled during the financial year, which did not materialize. As a result less employers contributions were paid to the pension fund. More funds were provided for leave gratuities than actual payments. More funds than needed were transferred from various subdivisions to this subdivision to cover medical expenses which were excessively claimed during the year. The underexpenditure on subsistence and traveling allowances was caused by the cancellation of some operational activities.

002: Services

The underexpenditure on printing and stationery was due to vacant posts which were not filled during the financial year under review. More provision was made for railage and telecommunication than needed as it was based on the previous financial year's expenditure. Fewer expenses for general maintenance were incurred than expected. Underexpenditure on operational expenses resulted from some operational activities which could not be carried out as planned. The Service acquired and used cheaper operational facilities than expected causing less expenditure on municipal services. In service training was not provided due to the recruitment process which could not be carried out.

003: Transport

Less was spent on repairs and maintenance as a result of the use of new vehicles which were added to the fleet. This also resulted in less operating costs. The underexpenditure on insurance and accidents was caused by the fact that some of the old vehicles were removed from the insurance policy.

004: Equipment

Due to repeated breakage of operational equipment, more funds were transferred to this subdivision than required. Operating costs were less due to less usage of equipment than expected. Less equipment was hired from service providers than originally planned.

006: Current expenditure: Immovable property

More funds were transferred to this subdivision than required to cover the costs due to price increases during the year. Less rent was paid as the Service acquired and used cheaper office facilities for operations than expected.

007: Capital expenditure: Acquisition of assets

Less funds were spent on the purchase of vehicles due to the unavailability of required vehicles on the market. Library books needed were not available from suppliers.

1.3.2 Departmental revenue: Explanations of deviations of N\$ 100 000 and above.

Interest received

More interest was received during the financial year than expected. This was caused by the unexpected rise in bank interest.

2. GENERAL INFORMATION

2.1 Vehicle accidents

Vehicle accidents which occurred through either authorized- or unauthorized use are reflected in the table below for the three financial years under review:

Authorized use				Unauthorized use			
	No	Estimated/ Actual damage	Received		No	Estimated/ Actual damage	Received
		N\$	N\$			N\$	N\$
Accidents reported				Accidents reported			
1996/97	13	76 929.04	54 587.43	1996/97	7	29 550.87	29 550.87
1997/98	13	39 832.09	23 117.57	1997/98	7	25 610.98	25 610.98
1998/99	4	7 015.78	7 015.78	1998/99	1	6 104.27	6 104.27
Vehicles repaired				Vehicles repaired			
1996/97	13	76 929.04	54 587.43	1996/97	7	29 550.87	29 550.87
1997/98	13	39 832.09	23 117.57	1997/98	7	25 610.98	25 610.98
1998/99	4	7 015.78	7 015.78	1998/99	1	6 104.27	6 104.27

2.2 Bursary and study assistance

The following bursaries and study assistance were awarded to staff members of the Service.

Financial year	Number of beneficiaries	Amount
		N\$
1996/97	23	57 489.29
1997/98	32	97 508.76
1998/99	37	51 048.53