

REPUBLIC OF NAMIBIA



**BUDGET SPEECH FOR VOTE 04: AUDITOR-
GENERAL FOR THE 2021/2022 FINANCIAL
YEAR BY HON. CHRISTINA //HOEBES,
MINISTER IN THE PRESIDENCY.**

Honourable Speaker,

I rise to motivate Vote 04, Auditor-General. The Auditor-General performs an important constitutional mandate, namely to audit the state revenue fund in order to enhance accountability and transparency in the use of public resources and report thereon to the National Assembly.

The Auditor-General's reports over the years have provided independent audit assurance in accordance with International Auditing Standards to stakeholders and have equally complied with legal obligations with regard to its audit mandate and required reporting on the regularity and the efficiency of the use of public funds by identifying gaps in governance and public finance management that need to be attended to by Accounting Officers.

In order for the Office of the Auditor-General to fulfil its audit mandate, there is a need to equip the supreme audit institution with adequate resources so as to conduct Audits throughout the country. These Audits are intended to ensure that relevant controls are in place to safeguard Government resources.

During the previous financial year, the following were achieved by the national audit house:

- 1. The Office managed to table 62 audit reports for Local Authorities, O/M/As, SOEs, Funds and Regional Councils. The Office also tabled two (2) performance audit reports covering Hazardous waste management and Air Quality Monitoring.**

- 2. A total number of 64 audits were produced and signed off for local authorities and regional councils, exceeding actual targets by 148% for the period under review. It is also notable that 80% of local authorities and regional councils adopted and implemented the International Public Sector Accounting Standards (IPSAS) financial framework. Of this figure, there was a 100% compliance from Regional Councils.**

Since the Office is not decentralized it relies heavily on a strong Subsistence and Travel budget in order to service all audit entities according to statutory deadlines, however lack of funds for such activities still remain a major challenge for the Office.

- 3. The following performance and environmental audits were conducted:**

- Hazardous waste management (Environmental)**
- Air Quality Monitoring (Environmental)**
- Overcrowding of Correctional Facilities (Follow up PA report)**
- Lack of transport (police vehicles (Follow up PA report)**
- Finalization of criminal cases within magistrate courts (Performance Audit report)**
- Government response to Covid 19**

- 4. The following Information System Audits were conducted:**

- Government Garage fleet Management services;**
- DSA & GL Module of the IFMS system;**
- NASFAF Namibia Student assistance fund joined audit with Financial Audit;**
- Audit of Emergency income grant. As part of the COVID 19 Combined Audit report send for Tabling (Not Planned)**

Honourable members,

- 5. During the 2021/22 Financial Year, the Office intends to finalize ninety-four (94) Audit Reports. These include thirty-nine (39) government audit reports, fifty-five (55) Regional and Local Authority and Statutory Body audit reports, together with sixty (60) assets inspection processes. A cumulative amount of twelve (12) specialized audit reports, including performance audits, information systems and environmental audit reports.**
- 6. The Twelve (12) specialized audit reports planned during 2021/22 are as follows:**
 - two (2) Performance Audit Reports;**
 - two (2) Follow-up Performance Audit Reports;**
 - two (1) Environmental Audit Reports;**
 - four (4) Information System Audits and**
 - three (3) other Special Audit Report.**
- 7. The Office looks forward to conduct the following performance and environmental audits during 2021/22 financial year:**
 - Implementation of the school feeding program (Ministry of Education)**
 - Disease outbreak (Ministry of Health)**
 - Water Demand management (Ministry of Environment and Tourism)**
 - Foodbank programme (Ministry of Agriculture)**
 - Follow up audit on youth unemployment (Ministry of Youth and Sport)**
- 8. Key Performance Indicators audits are used to find out how organizations are performing and what they can do to make**

the entity operate better in the medium and long term plan using set objectives from strategic and aligned documents. Three (3) standalone Compliance audits will be conducted in the 2021/22 financial year on the following subject matter:

- **Maintenance Act (level of compliance at schools)**
- **Procurement Act**

Honourable Speaker,

In the 2021/22 financial year, the Office will pursue three (3) main programmes, namely;

Programme 1: Public Expenditure Oversight;

Programme 2: Independence and Legal Framework; and

Programme 99: Policy Co-ordination and Support Services

I wish to provide some details on each of these programmes.

Programme 1: Public Expenditure Oversight

This programme consists of the following components:

Financial Audits which is the audit of all Offices/Ministries and Agencies, statutory bodies, town council, local authorities and various funds. On central government level, the Office celebrates 100% submission of financial statements for auditing. It is also notable that during 2020/21 the Office managed to complete all its central government reports on time despite challenges posed by Covid-19. Other component of program 1 includes value for money audits such as:

- **Compliance audit**
- **Environmental Audit**
- **Information System Audit**

- **Performance Audit**
- **Key Performance Indicator Audit**

An amount of sixty-nine million and three hundred sixty-five thousand Namibia Dollars (N\$ 69,365,000) is required to fund this programme.

Programme 2 : Independence and Legal Framework

Obtaining and maintaining financial and administrative autonomy and appropriate human, material and financial resources is a priority for the OAG in order to build public trust and confidence therefore the main objectives are:

- **To strengthening public sector auditing through autonomous legal framework.**
- **To enhance financial and operational independence**

An amount of two million and seventy-three thousand Namibia Dollars (N\$ 2,073,000) is required to fund this programme.

Programme 99: Policy Co-ordination and Support Services

This programme is to assist the Auditor-General regarding the overall administration, to facilitate the operations of his Office and to assist the audit components of the Office with logistical and technical support. The provision of human resource management, training and development and facilitates strategic planning and performance management for the Office of the Auditor-General.

An amount of thirty-six million eight hundred twenty-nine thousand Namibia Dollars (N\$ 36,829,000) is required to fund this programme:

To enable the Office of the Auditor-General to implement its important programmes, a total amount of one hundred and eight million, two hundred sixty-seven thousand Namibia Dollars (NS 108,267,000) is required as per the Appropriation Bill 2021/22. I cannot over-emphasize the fact that there is a need for an effective and well-resourced Office of the Auditor General in this country. It is an important watchdog that is task to ensure that public resources and assets are utilized for the intended purposes.

It is in this context that I respectfully request this House to approve the budget allocation of the Office of the Auditor General for the 2021/22 Financial Year.

I thank you.