

REPUBLIC OF NAMIBIA



**BUDGET SPEECH FOR
VOTE 04: AUDITOR-GENERAL,
FINANCIAL YEAR 2016/2017
BY THE MINISTER OF PRESIDENTIAL
AFFAIRS, HONOURABLE FRANS KAPOFI**

BUDGET MOTIVATION SPEECH FOR VOTE 04: AUDITOR-GENERAL, FINANCIAL YEAR 2016/2017

Honourable Deputy Speaker and Chairperson of the Whole House Committee,

I rise to motivate Vote 04, Auditor-General, whose constitutional mandate is to audit the State Revenue Fund and report thereon to the National Assembly.

In this context, the Office of the Auditor-General contributes to national development objectives through the auditing of public institutions. The aim is to ensure that these institutions make the best use of public resources and achieve proper accountability and transparency through compliance with regularity, propriety and accounting requirements.

For the 2016/2017 Financial Year, the Office of the Auditor-General has set itself a number of targets. It intends to finalize one hundred and sixty seven (167) Audit Reports, which include thirty-two (32) government Audit Reports, one hundred and twenty five (125) Regional and Local Authority and Statutory Body Audit Reports as well as ten (10) Specialized Audit Reports. The Specialized Audits refer to Performance Audits and Environmental Audit Reports.

The Office will also conduct ninety (90) asset inspections at various public institutions around the country to ensure that relevant controls are in place to safeguard Government assets. Asset inspections will also be carried out at Namibian diplomatic missions abroad.

In order to improve the quality of its processes, the Office plans to enhance compliance with the International Standards for Supreme Audit Institutions (ISSAI). Operational and functional independence of the Office will be strengthened in line with international best practices, which have been endorsed by the UN General Assembly and International Organization of Supreme Audit Institutions (INTOSAI). In doing so, the Office will be guided by provisions of the Constitution and other legal frameworks in Namibia.

Ten (10) Specialized Audit Reports planned during 2016/17 are as follows: three (3) Performance Audit Reports; two (2) Follow-up Performance Audit Reports; three (3) Environmental Audit Reports and two (2) other Special Audit Reports.

Environmental and Forensic Audits are new types of audits that have been introduced by the Auditor-General and will therefore require extensive training of staff members to acquire the necessary technical skills.

The Office has established two Divisions, namely the Training Division as well as the Quality Assurance, Research and Development Division to ensure that qualitative and factual reports are produced at all times. The Research and Development function helps to keep the Office abreast with regional and international standards as well as the latest developments in public sector auditing practices.

I should state, Honourable Chairperson of the Whole House Committee that through its audits, the Auditor General has observed that, as far as the management of public finances is concerned, there is a serious need for capacity building within Government O/M/A's as well as in Regional Councils, Municipalities, Towns and Villages. Towards this end, the Office has embarked upon a programme to render advisory services and stakeholder education, on a regular basis, to address the identified shortcomings.

It is indeed critical that, given the centrality of its functions to effective public finance management, the Office continues to grow into an efficient organization where professionally qualified professionals can contribute to accountability, transparency and good governance. The Memorandum of Understanding that the Office intends to sign with local audit firms will go a long way to enhance the skills and competencies of its staff members and enable the institution to carry out its mandate.

Honourable Chairperson of the Whole House Committee, In the 2016/17 Financial Year, the Office will implement two (2) main programmes. The allocation requested in the Appropriation Bill for the Office of the Auditor General, which amounts to N\$ 85,498,000.00, is earmarked for the following activities:

Programme 1: Public Expenditure Oversight: N\$ 58, 736,000

This programme consists of the following components:

Government Audits;

Accrual Based Audits;

Specialized Audits;
 Research and Development;
 Quality assurance, training and development.

Programme 2: Supervision & Support Services: N\$ 26,762,000

This programme consists of the following components:

Policy Supervision	N\$ 2,698,000
Co-ordination and Support Services	<u>N\$ 24,064,000</u>
TOTAL (as mentioned above)	<u>N\$ 26,762,000</u>

Honourable Chairperson,
 Honourable Members,

The Office of the Auditor General is one of the central accountability institutions in our country. Its role is pivotal in reinforcing the principle of accountability and ensuring that public funds and other resources are utilized for the purposes that they were appropriated by the legislature. When we talk about adhering to the principles of good governance and the rule of law, we are also talking about the important work of the Auditor General. In this context, I humbly request this August House to approve the budget allocation to the Office of the Auditor General to enable this institution to carry out its constitutional mandate.

I thank you.